

EUROPEAN PARLIAMENT

**The first
ten years
1958-1968**

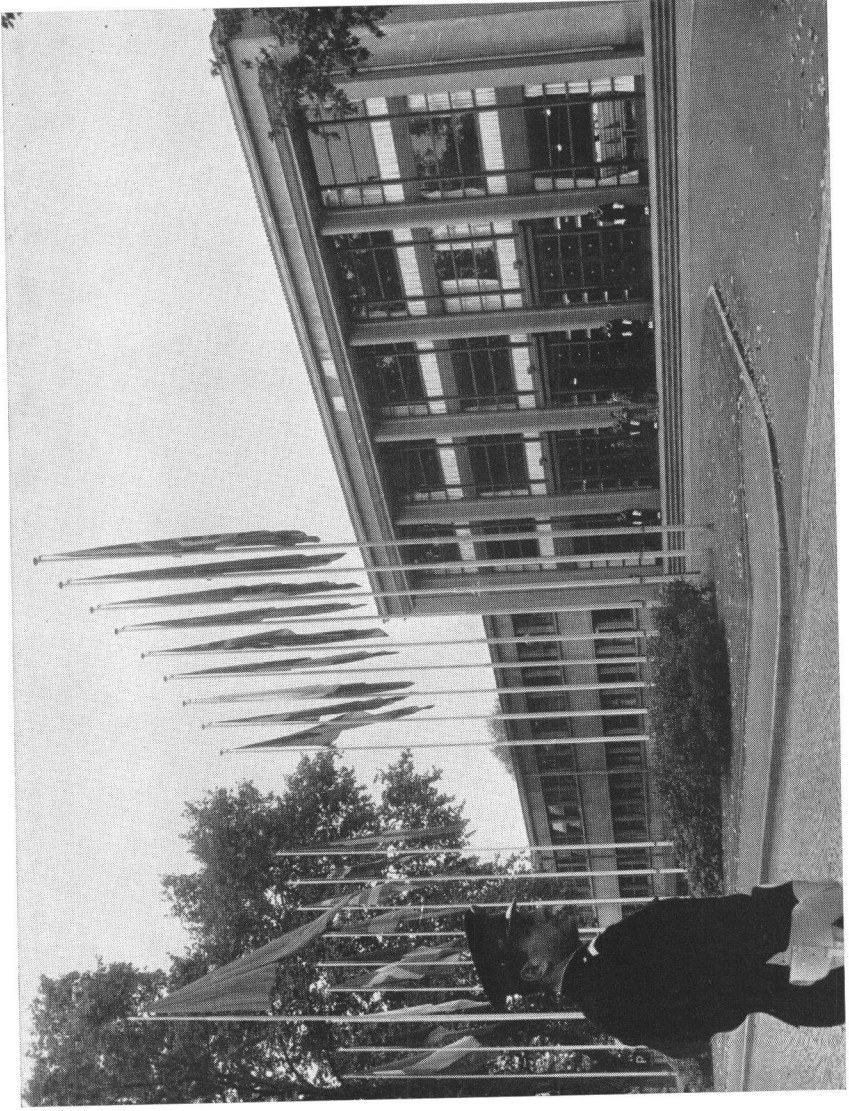
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**The first
ten years
1958-1968**

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Europe House in Strasbourg

I

From Common Assembly to European Parliament

The European Parliament can already look back on ten years of activity. As will be seen from the following pages, a great deal can be achieved over such a period. But in 1958 the Assembly of the Six did not spring up entirely out of the blue; nor did the articles devoted to it in the Rome Treaties lay the foundations for an institution unique in every respect. The European Parliament took over a tradition which, though tender in years, was already very much alive. It inherited from the Common Assembly of the ECSC not only a fund of experience but also powers and an area of competence it was to enlarge in the years that followed. It would be difficult, however to form a clear picture of the European Parliament's ten years of history without recalling, however briefly, how the Common Assembly came into being and how it operated. We must therefore cast our minds back to that spring of 1950 which saw the birth of what was at once the boldest and the most productive plan for breathing new life into an aged and war-worn Europe.

The Schuman Plan Assembly

Robert Schuman's historic proposal for bringing together the coalmining and iron and steel industries of Germany, France and other countries within a common organization did not specify that a parliamentary assembly was to play any part in the project. The idea had, however, already exercised the minds of the founders

of the first Community. Even during the earliest discussions it had been suggested to the representatives of the Governments concerned that an assembly of this kind ought to be included in the institutional system to be established. This flowed logically from our ideas of democracy. As the national Parliaments were to have no hold on the newly-created executive organ, which was to be independent of the Governments, the Community had to be endowed with a political institution to exercise, through qualified representatives of public opinion in the member States, general supervision of the High Authority's activities. Thus, even before there had been any talk of a Council of Ministers of the Community, it was foreseen that the High Authority would have facing it an Assembly manifestly parliamentary in character.

But this was more than the logical consequence of a transfer of powers. The intention was not merely to make the European Coal and Steel Community an economic and technical organization to serve specific and clearly defined aims, most of which had arisen as an aftermath of war. The idea was also to have, so to speak, a live model which, though incomplete, could be of use in designing future federal structures. What was needed, therefore, was a counterpart to the major institutions which, in the traditional political system of our democratic States, preserve the balance of power. The forward-looking ideas of the founders of the first Community also coincided with the wishes of countless advocates of the construction of Europe, whether responsible statesmen or active supporters of the European cause. In the post-war years many believed that a parliamentary body would serve as a particularly effective driving force for the unification of Europe. It was expected to display far more courage than the Governments as well as the ability to take decisive measures that nothing could halt. Some enthusiasts were even convinced that a European Parliamentary Assembly, provided it was sufficiently representative, would in the very nature of things grow into a Constituent Assembly of the future United States of Europe.

At all events, even in the earliest institutional systems suggested for the 'Schuman Plan' the Assembly, which was to be known as the 'Common Assembly,' was regarded as an integral and important part of the new organization. The idea not only aroused no objections but served to allay the fear entertained in some quarters that the future High Authority might become too authoritarian and too tech-

This new Europe of coal and steel was designed not only for industrialists, economists and officials but also for the people whose voice would make itself heard through its representatives in the Assembly.

Powers of the Common Assembly

One month after the High Authority's constituent meeting the Common Assembly, in pursuance of the provisions of the ECSC Treaty, also met for the first time. This was in Strasbourg on 10 September 1952. The Assembly consisted of 78 delegates appointed by the national Parliaments, the numbers allotted to each member State being fixed in the light of the size of its population and its economic potential.⁽¹⁾

What was awaited from the new Assembly? Undoubtedly less than it was to do. Only five of the hundred articles contained in the Treaty were devoted to the Assembly and even these gave only a limited idea of the supervisory powers accorded to it. The Treaty laid down in particular that in the course of an annual session to be opened on the second Tuesday in May and to close not later than 1 June, the Assembly was to discuss a General Report submitted by the High Authority. At the end of the discussion the Assembly could, if it thought this desirable, require the Executive to resign office through a vote of censure carried by a two-thirds majority.

The right to 'bring down' the High Authority was undoubtedly full of significance. It reflected the supremacy of the principle of parliamentary supervision and, above all else, showed that the Assembly possessed effective means with which to make its voice heard, at least under certain circumstances. The right to table a vote of censure constituted not only a real power but an entirely new departure in a context no longer national. It was already apparent, however, that the motion of censure would require too delicate handling to be easily resorted to, and that the intermittent and retrospective supervision demanded of the Assembly would remain of limited significance.

The pioneers of the European parliamentary movement realized, moreover, that the High Authority, the key institution of the new organization and the centre of general attention, did not expect to have many dealings with the Assembly. The Executive no doubt

(1) Belgium 10 Germany 18 Luxembourg 4
France 18 Italy 18 Netherlands 10

entertained a high opinion of its parliamentary counterpart, to which it was obliged each year to render an account of its activities, and valued the democratic character thus imparted to the entire institutional structure. It probably did not, however, consider that frequent contact between the two bodies would prove to be indispensable.

The Assembly prepares itself for its task

From its very first meetings, however, the Assembly showed that it did not intend to take too narrow a view of the rôle it was to play. Availing itself of its right under the Treaty to fix its own rules of procedure and therefore its internal organization, it felt that it could usefully resort to any practice sanctioned by parliamentary usage in the member States provided it did not conflict with the provisions of the Treaty. Thus the discretion displayed by the Treaty on the subject of the Assembly was interpreted by the parliamentarians as a tacit invitation to embark on the widest possible range of activities.

Among the various organizational measures decided upon by the Common Assembly, the setting up of committees clearly reflected the desire for effective action. At first it had been suggested that the committees should be few in number but that their respective spheres of competence should be very wide. Such an arrangement would perhaps have sufficed for the preparation of the General Report. But members of the Assembly soon accepted other proposals for the setting up of a larger number of specialized committees which would keep track of events in the main spheres of the Community's activity. In January 1953 the Common Assembly set up seven committees, two concerned with administrative or legislative matters and the remainder with markets, investment, social affairs, political affairs and transport. These committees were expected to prepare the ground, each within its particular province, for the general discussions in the Assembly. But it appeared even more important to turn them into bodies on which parliamentarians and the High Authority could discuss, in the intervals between sessions, the major problems facing the Community and how the Executive could best deal with them. Moreover, the Common Assembly soon showed that it did not intend to prolong the intervals between sessions unnecessarily. In its first year of activity it had in any case to meet on a number of occasions in order to get itself properly organized. But already in

January 1954 it availed itself of the facility accorded to it by the Treaty to convene extraordinary sessions provided that at least half its members were in favour of this. It was to continue doing so fairly frequently, and four months scarcely ever went by before the next plenary session.

Thus the Assembly was able to exercise active and timely supervision. Meetings of the committees and plenary sessions ensured an adequate degree of continuity in discussing the lines to be followed by the High Authority in applying the many and highly complex clauses of the Treaty, and in laying down guidelines for its activities. The Executive readily fell in line with this arrangement. It realized it need not fear mistrustful or officious supervision from the Assembly but, on the contrary, that it could secure from it valuable support. At the very first ordinary session in June 1953 the Assembly set forth in a resolution the relations which the High Authority and it had agreed to establish between themselves :

‘While taking the measures and assuming the responsibilities incumbent upon it under the Treaty, the High Authority shall keep the Assembly, or its responsible committees, promptly informed of the guiding principles of its activities and the broad outlines of its projects, study their Opinions and advise them of the reasons for the decisions finally taken.’

Two years later, a proposal by the new President of the High Authority, Mr. René Mayer, appears to sum up what might be described as the Assembly’s guiding supervision :

‘What I want to tell you to-day, is that the High Authority has decided to steer its activities, in the months ahead, along the general lines traced out by the resolutions passed last month by your Assembly.’

Another circumstance of prime importance in organizing the work of the Assembly helped to banish certain risks and to create a new spirit even during the earliest sessions. It might have been feared that members of the Assembly would have remained grouped within their national delegations and that their attitudes would all too often have reflected only the interests of their countries of origin. This would, of course, have been highly regrettable. Another institution already existed to represent national points of view—the Council of Ministers. Something quite different was expected from the members of the Assembly. Their job was to understand and to represent the interests of the European peoples grouped together in

the Community. Their national mandate provided them with valuable experience for this task and established their suitability to represent their people, but it was certainly not intended that their attention should be confined to a single country. The creation of multi-national political groups fortunately enabled dividing lines to be drawn in a far more European fashion. These groups, whose constituent rules were laid down in a resolution of June 1953, became the real centres of European parliamentary activity. Three were formed to bring together delegates falling under one or other of the major political families : a Christian Democrat group, a Socialist group and a Liberal group. The resulting political structure of the Assembly proved to be a perfectly sound one. It has moreover survived in the European Parliament to this day, the only change being the formation of a fourth group, the European Democratic Union (Gaullists).

The ad hoc Assembly

The Common Assembly speedily organized itself and introduced new working procedures. Even more important perhaps, from its earliest meetings it created the original spirit and the new style its European mission demanded. In this a number of circumstances unconnected with the Coal and Steel Community were to play a major part. This brings us to another, and disappointing, chapter of European history which deals with the unsuccessful attempt to set up the European Defence Community (EDC). This did, however, provide the Common Assembly with useful experience. Article 38 of the Treaty establishing the EDC provided that the Assembly supervising that Community's activities should examine the bases of a 'federal or confederal structure' broadening and carrying a stage further, on the political plane, the basic principles of community existence. In 1952 the Treaty establishing the European Defence Community was signed but awaited ratification by the member countries. Nobody imagined at the time that a vote rejecting it would be taken in the French National Assembly on 30 August 1954. Without waiting for the ratifications on which they thought they could count, two great European statesmen, Robert Schuman and Alcide de Gasperi pointed out in July 1952 that the EDC Assembly could soon meet because it consisted of members of the Common Assembly to which only another nine had to be added. Why not therefore — they asked — invite the Common Assembly to start applying, in advance, Article

38 which seemed to hold out so much promise for the construction of a united political Europe? Schuman and de Gasperi invited their colleagues, the other Foreign Ministers of the Six, to join them in asking the ECSC Assembly to take over this task and to initiate the necessary studies and discussions.

This proposal of the Ministers, boldly directed to the future, appeared to come as something of a surprise to the Assembly which received it on the second day of its first session with, at first, only limited enthusiasm. Legal experts expressed doubts as to the desirability of applying a provision of a treaty still to be ratified by the national Parliaments. Would not these be upset by this? Hardier spirits were not slow to counter this objection. They pointed out that they and their colleagues had all too often reproached their Governments for their timid attitude towards European action and could not but heartily welcome a display of boldness so often demanded and for once obtained. The enthusiasm of members of the Assembly strongly in favour of development along federal lines overcame the hesitations of the rest and finally led to almost unanimous approval. The Common Assembly thus constituted itself as an *ad hoc* Assembly and set out to draft a project for a Political Community. It had six months within which to complete this difficult task. Naturally the entire Assembly could not devote its attention to a task which called for searching study and bristled with difficulties. It appointed a constitutional committee which prepared the text which the *ad hoc* Assembly adopted on 10 March 1953. The draft treaty establishing a European Political Community was submitted to the Ministers a few days later. Like the EDC Treaty, it ranks in the history of European development as nothing more than an abandoned building site. The Political Community, for which the first European parliamentarians had laid the bases, had first to develop and co-ordinate the ECSC, already launched, and the EDC, which had still to be created. The difficulties that arose with the latter, already due in part to its political character, boded ill for the future of a Community which was, by definition, even more political. In any event the draft treaty prepared by the *ad hoc* Assembly did not survive the breakdown of the EDC. It deserved a better fate because it was the fruit of bold and clear-headed political thinking stimulated by the experience and enthusiasm of men who undoubtedly belonged to the political *élite* of the six member States.

Their efforts were not, however, entirely in vain. Even though 15

nothing that would last was achieved—and they were not to blame for the failure of the project—they served an apprenticeship which was to prove of immense value. The debates in which members of the Common Assembly took part, almost from the moment they were appointed, in their very own field—the political—turned out to be an excellent testing-ground for European parliamentarianism. It was undoubtedly thanks to the constitutional committee and the *ad hoc* Assembly that parliamentarians from national Parliaments that differed so widely from each other in spirit and tradition could enter so swiftly into discussions in a new, European dimension and atmosphere. The impetus imparted by the Foreign Ministers when, in September 1952, they invited the Common Assembly to embark without delay on large-scale political activity, rendered a great service to European parliamentarians.

Activities of the Assembly in the ECSC

Successfully launched and equipped with an efficient organization, the Common Assembly was able to get down to its work and the opinions it delivered aroused growing respect. It concerned itself with all the major aspects of the first Community's development: investment, prices, coal-selling organizations, Community finance. In the field of finance, as in others, it widened its supervisory rôle beyond what was laid down in the Treaty, arranging in particular for the High Authority's draft budget to be inspected by it before adoption, and to discuss—if not actually to settle—the rate of the ECSC levy, 'the first European tax.' In the social sector, its determined attitude acted as a spur to the High Authority and played no small part in ensuring the high rate of utilization of Community resources in the conversion and redevelopment projects which still remain one of the ECSC's most striking achievements.

Another activity, typical of the Common Assembly's efforts to deal in depth with problems only touched upon in the Treaty, was that deployed in the transport sector. The Assembly felt that the Treaty's provisions on rate harmonization would have no chance of success unless transport was co-ordinated at European level. It therefore began studying the question with the help of highly qualified experts. In a field hitherto unexplored, it made an interesting approach to an important and difficult problem, and many economic and technical bodies were to make use of the results of its work.

The Common Assembly and the new Communities

Above all, the Common Assembly never regarded the ECSC as something quite apart and whose surveys and discussions were to be confined strictly to its terms of reference. The Assembly therefore followed with unflinching interest the preparations for setting up the two new Communities with which the Economic Community of the Six would be really brought into being. The sessions it devoted to this matter were occasions for extremely frank and down-to-earth discussions on the lines to be followed by the Common Market and Euratom. It naturally attached special importance to institutional problems and particularly to the rôle to be played by parliamentary supervision in the new Communities. At the end of a session held in Brussels in February 1957 the Assembly passed a resolution a large part of which sums up, in terms which have lost nothing of their force, the principles by which it wanted relations between institutions to be governed :

‘It is difficult to conceive of an effective political organization without a body specifically designed to take initiatives. For, to achieve European integration, it is not enough to decree it by treaty provisions or to set up a Council of Ministers. Although the latter is instructed to co-ordinate and harmonize policies, it is also engaged in safeguarding vital national interests confided to it by the Treaty. The furtherance of Community interests requires, first and foremost, an Executive that is independent and, in addition, answerable for its policy before a European assembly.

Europe cannot, in fact, take shape while renouncing its political traditions and setting up a technocracy wholly or partly devoid of responsibility.

Such control is already inadequate in the European Coal and Steel Community since decisions are taken without supervision either by the Common Assembly or by the national Parliaments.’

The Assembly also expressed concern at the fact that certain bodies, which it was considered setting up for decentralization and technical purposes, might become centres of decision virtually subject to no supervision.

‘... Without interfering in individual decisions—which should be kept away from politics—the European Executive ought to lay down the general policy of these bodies and to be answerable therefor before the Assembly.

In this connexion the Common Assembly points out that the first prerogative of democratic assemblies consists in voting the budget.'

The Common Assembly went on to observe that a plurality of Communities entailed the risk of clashes over competence and of inconsistent policies. It recalled the fact that it had already made proposals for 'a single Assembly and a single Court of Justice to ensure political and judicial supervision of the various Executives.' It is important to note that this issue came up for discussion. It is extremely unlikely that the creation of three totally independent Assemblies would have been entertained. All the same, an Assembly with a variable membership or with specialized sections was discussed. There was some talk of a sort of 'three-in-one' Assembly in which activities falling under the different Community Treaties would be kept in separate compartments. Such an arrangement would however have seriously weakened the sense of unity essential to a Community edifice of which the European Coal and Steel Community, Euratom and the Common Market formed three unequal, distinct, but inseparable parts. The steps taken by the Common Assembly went a long way towards ensuring adoption of the principle of a single Assembly for the three Communities which found its ultimate expression in the 'Convention relating to certain institutions common to the European Communities' annexed to the Treaties of Rome.

Preparations for the entry into force of the Treaties of Rome did not slow down the Common Assembly's activities in any way. It carried on to the last with the tasks assigned to it in the ECSC sector while preparing the ground for the expansion of the Community. The initiatives it took during its last sessions were not among the least the European Parliament was in turn to take over later. Thus, at an extraordinary session held in Rome in November 1957, the Assembly of the Six founded the tradition of annual talks with the members of the Council of Ministers which has ever since been successfully continued. The Rome talks were important not only as the first of their kind but also because the weightiness of the subjects chosen and the frankness with which they were discussed between members of the Assembly and Ministers raised high hopes for the future.

A positive achievement

At the close of its activities the Common Assembly drew up a
18 report summing up its five years' experience, and the conclusions it

drew therefrom, as a kind of legacy for the new Assembly. 'The Parliamentary Assembly in the Europe of the Six' (report by Pierre Wigny) was discussed at the last session of February 1958, the new Communities having been officially in existence since 1 January of that year. The general validity of the title reflected a desire to pass on practical aspects of a parliamentary practice which was to be continued in a not entirely novel context. There is no undertone of gloom in this forward-looking political message anchored in justifiable satisfaction with the work that had been done and the progress made since the Assembly had been set up. When on 19 March 1958, only twenty days after the Common Assembly's last session, the European Parliament held its first meeting, the transition was a smooth one. Virtually nothing had to be thought up anew; methods and traditions already existed. Moreover, 50 of the 142 members of the new Assembly had already belonged to its predecessor. There was therefore no break in continuity for these 'veterans' of European parliamentarianism. Nor did it prove difficult for their colleagues to settle down. Under the presidency of Robert Schuman, whose presence lent a fitting lustre to this fresh start of the Assembly of the Six, parliamentary activity could continue to go ahead on an ever-widening front.



II

The European Parliament

—a political institution

It is through the European Parliament that the general public participates in the work of the Community. This all-important political function was neatly summed up by Robert Schuman on his election as President :

‘At institutional level, it is the duty of the Parliament to interpret the views of the general public whose participation is becoming more and more necessary. The Parliament must make the Governments and Executives grasp the fact that the European idea is a living reality which will finally triumph in the interest of peace and prosperity for all.’

The new Assembly

The European Parliament fulfils this political task within the terms of three Treaties and three European Communities which together embrace the entire economic activity of the member States and provide the foundation for a still broader European edifice to which other sectors may one day well be added. The Governments, which at one time considered giving each Community a separate form of representation, were won round to the Common Assembly’s views and decided to set up a single Court of Justice and a single Assembly for the three Communities. This first anticipatory ‘merger of institutions’ was provided for in a special convention annexed to the Rome Treaties. This lays down that ‘the powers and jurisdiction

respectively conferred upon the Assembly by the Treaties establishing the European Economic Community and the European Atomic Energy Community shall be exercised, under the conditions respectively laid down in those Treaties, by a single Assembly' to take the place of the Common Assembly of the European Coal and Steel Community and exercise its powers and jurisdiction.

The composition of the new Assembly was, however, altered. The number of delegates from the three larger member States (France, Germany and Italy) was raised from 18 to 36, from Belgium and the Netherlands from 10 to 14, and from Luxembourg from 5 to 6. This changed pattern of membership, which displays a certain parallelism with the weighting of votes adopted for the Council of Ministers of the new Communities, thus reduced the relative advantage enjoyed by the smaller countries.

A word of explanation is due on the terminology used in the Rome Treaties. Neither in these nor in the Convention relating to certain institutions common to the European Communities is there any mention of a 'European Parliament,' now the official name under which it is known to the public. The Treaties speak purely and simply of the 'Assembly.' Since, in this brief and unqualified form, the term would have led to misunderstandings, the Assembly named itself, in French, *Assemblée parlementaire européenne* and, in Italian, *Assemblea parlamentare europea*. In the other two official Community languages — Dutch and German — it was known from the start as *Europees Parlement* and *Europäisches Parlament*. On 30 March 1962, for linguistic and policy reasons, the French and Italians finally adopted the terms *Parlement Européen* and *Parlamento Europeo*.

Tasks and powers of the European Parliament

The members of the Common Assembly, as experienced parliamentarians, had succeeded in building up their influence and political authority to an extent not originally thought possible. Without contravening the provisions of the ECSC Treaty, they managed to broaden and strengthen Parliament's powers to a point where it blossomed into an effective supervisory body.

But it was the two new Communities that substantially widened not only the range of Parliament's practical jurisdiction but also its scope for political action.

22 The Treaties of Rome no longer aim merely at the integration

of various independent sectors but at a process radically influencing all economic and social activity in the member States. This is why the peoples of Europe must be won over to these European organizations. The political character of the European Parliament is brought out by the nature of the Rome Treaties which—in contrast to the ECSC Treaty—contain few systematic provisions and establish, above all, decision-making procedures. The immense field of activity covered by the Rome Treaties, the variety of measures prescribed by them, and the rapid development of administrative methods, ruled out any possibility of laying down hard and fast rules. The institutions of these Communities must therefore themselves determine the implications of the Treaties by way of legislation at Community level. This is achieved through a three-cornered decision-making process : normally the Council rules on a proposal of the Commission and following consultation of the European Parliament. The latter is thus drawn in at the pre-legislative stage and, because the Commission is answerable to it, can continue to exert a certain influence up to the point where the Council makes its final decision.

The European Parliament's right to be consulted and to exercise supervision can only come into full effect if permanent links ensure constant co-operation between it, the Council and the Commission.

Only thus, in the words of President Robert Schuman, 'can there be a wide exchange of ideas and opinions from which the Community institutions can draw useful conclusions when attempting, each in its particular province, to shape a co-ordinated policy whose final goal must be the consolidation of Europe.' Robert Schuman went on to say : ' We must not delude ourselves. It is to a great extent on these relations, that the effective rôle the Parliament is to play in starting up the European Communities, will depend.'

Relations with the Executives

To be successful, relations between the European Parliament and the Executives must therefore take the form of a permanent dialogue. The EEC Commission, the Euratom Commission and the High Authority attended—and, as a single Commission, continue to attend—Parliament's plenary sessions at which they have the right to speak. They reply to written and oral questions by parliamentarians and their members take part in the discussions of the parliamentary committees.

The spirit animating these discussions with the parliamentary committees, and their importance for the running of the Communities, have been thus described by Professor Walter Hallstein, former President of the EEC Commission :

'The Commission members concerned have in most cases informed the parliamentary committees orally of their intentions and plans with regard to proposals for regulations which it intended to lay before the Council. As soon as the Commission finally approves such a proposal, it is submitted to the Council and communicated to the parliamentary committee concerned, except in a few cases where the subject-matter is confidential or mainly technical in nature. In this way the proposals can be discussed in the parliamentary committees before they are submitted to the Council, and Parliament is enabled to prepare an Opinion within a reasonable period after being officially requested to do so by the Council.'

Under the terms of the Treaties, Parliament must in general be consulted on normative acts. It needs not necessarily be consulted, however, on implementing acts. Nevertheless, where the latter are general in scope they are often of considerable political and economic importance, so that the Executives prefer to pass on all the details to the parliamentary committees and to show, in this way, that they accept their full political responsibility towards the Parliament.

Passing beyond the technical aspects of the problems it is expected to discuss, the European Parliament has often dwelt on their political significance. It was in this spirit that, in a resolution passed on 24 September 1964, it emphasized that 'the European Parliament is the only Community institution called upon to supervise the activities of the Executives.'

The yearly discussion of the general report of each of the Executives has, over the past ten years, been one of the most striking features of parliamentary business. Parliament sees it in a means of influencing, through its comments, suggestions and proposals, the future trend of Community policy as a whole. Now that the Institutions have been merged, the activities of the three Communities will be reviewed in a single general report.

Another opportunity—an exceptional but important one—of opening a broad parliamentary debate is presented by the long-accepted tradition demanding that each President of the Executives should, on taking office, deliver a general policy statement before

Parliament. Presidents and members alike have also regularly reported to Parliament on developments in major sectors of the Communities' activities. The presentation of some of these reports even became a regular practice—for example, the eagerly awaited yearly report on medium-term economic trends in the member States.

These practices have, of course, been taken over by the single Commission. Parliament can therefore exercise supervision over the Executive's general policy. At the same time, debates in Parliament enable the Executive to ascertain in sufficient time what support it can expect from Parliament for its plans and activities.

In this dialogue with the Executives, Parliament has by no means played a passive rôle. It has availed itself of its right to put new items on the agenda and to discuss them with the Executives. In the course of these optional debates, it has again and again pointed out new ways of speeding up European integration. It also used this facility to introduce, early in the preparatory stage, 'pre-consultations' on questions regarding which it had later to be officially consulted. These anticipatory debates not only had the advantage of acquainting the public with the direction in which the preparatory work was moving but also enabled Parliament to influence the course subsequently taken by it. The first six years of Parliament's activities witnessed 136 optional debates, of which 66—practically half—were pre-consultations. A further 178 debates were opened in pursuance of specific provisions of the Treaty.

Article 149,2 of the EEC Treaty is of particular importance for the dialogue with the Executive because it permits the Commission to amend its original proposal at any time before the Council reaches a decision.

In October 1964 Parliament asked the EEC Commission to let it know what proposals it had amended under Article 149,2. Only thus could it form a clear picture of the Executive's responsibility. In a resolution dated 20 October 1966 Parliament decided that in all its resolutions amending the EEC Commission's proposals, it would invite the Commission to embody these amendments in its proposals in accordance with Article 149,2 of the EEC Treaty. It further decided to instruct its appropriate committee, in the case of important EEC Commission proposals, to check whether the Commission did in fact embody Parliament's suggested amendments and, if necessary, to report to it thereon.

The road was thus cleared for Parliament to exercise close super-

vision over the Commission's proposals without having to wait to see whether the Council would consult it again on radical changes to the Commission's original proposals.

In the same resolution Parliament specified the limits within which Article 149,2 can be applied. On the one hand the Commission cannot take a hand in 'measures for which it is unable to accept political responsibility,' and on the other it cannot abstain from participating where amendments are 'justified and necessary.'

The right to put questions was a further important instrument in the dialogue between Parliament and the Executives. Every member of Parliament is entitled to put questions in writing to the Executives. These are published, with the replies given, in the *Journal officiel des Communautés européennes*. Since March 1959, 1,432 written questions have been put to the Executives and Councils. During plenary sessions any parliamentarian may, in addition, subject to the approval of the Bureau, put oral questions not involving debate. Oral questions involving debate can be put only by a committee, a political group or at least five representatives. Here, too, the Bureau's approval is required.

Relations with the Council of Ministers

The Treaties make no provision for systematic collaboration between Parliament and the Council. Apart from the consultation machinery, they merely lay down that 'the Council shall be heard by the Assembly in accordance with the conditions specified in its rules of procedure.' Relations between the two institutions were thus built up on practical lines under the influence of the Community's overall political development.

Parliament's relations with the Council call for even greater political will than its relations with the Commission. Parliament has repeatedly dwelt on the need to build a bridge between representatives of the Governments and representatives of the peoples in the Community.

In relations between Parliament and the Council the annual exchange of views—or 'colloquy'—occupies a central place. The colloquy held in November 1957 within the ECSC created a fortunate precedent. In September 1959 discussions were opened between the President of the European Parliament and the Councils and Executives to establish the principle of an annual exchange of views as

well as to fix the date and subject-matter of the next colloquy. The Councils displayed an interest in these meetings and welcomed Parliament's proposals.

The second colloquy was held in November 1959. On that occasion the President of the Councils confirmed their intention to work hand in hand with the other Community institutions. Although not answerable to Parliament from the constitutional point of view —said the President—the Councils needed to feel at one with Parliament's political way of thinking. During the November 1959 session Parliament suggested in a resolution that in future the colloquies should be prepared more thoroughly so as to make them an even more effective means of exchanging political ideas. The major political issues of the European Communities ought to be debated at regular intervals in an atmosphere free from legal formalism. Parliament invited the Councils :

'to spare no effort to step up and improve their collaboration with Parliament, particularly by attending and taking part in the debates, giving precise answers to parliamentary questions and providing more information about their activities.'

Parliament further asked the Councils to extend the consultation procedure to all important problems even where the Treaties did not expressly require it and, where they did not act upon Parliament's opinion sought beforehand, to state their reasons for this.

Since then colloquies have been held annually, during Parliament's November session, and the major aspects of Community policy have been discussed. The working documents are prepared by the parliamentary committees.

A second link was provided by the statement made by the President of each Council during various sessions of Parliament. In October 1958 the EEC and Euratom Councils took the initiative of delivering before Parliament a report on their activities. They did this both in response to Parliament's request to be kept more closely informed of what was going on and to ascertain Parliament's attitude on the major issues facing the Communities. Since that time these annual oral reports followed by debate have become an accepted practice.

Parliament also tried to persuade the Ministers to participate more regularly in its proceedings. It succeeded in securing the attendance of one Council member at parliamentary debates on the Communities' budget. However, attendance by Council members at other

debates continued to be irregular. Moreover, the Councils have shown little inclination to send members to meetings of the parliamentary committees, advising Parliament that, for practical reasons, they could do this only in exceptional cases.

In addition to the procedure for putting written questions to the Council, Parliament also embodied in its Rules of Procedure—with the Council's consent—the procedure for oral questions involving a debate. The Council expressed its willingness to consider, from case to case, whether it could reply to these questions where they fell within the respective spheres of the Treaties.

The closest co-operation so far has been in the yearly discussion of the budget of the Communities. In 1959 it became the custom for the budget to be presented and supported by the President of the Councils both on the parliamentary committee concerned and before Parliament meeting in plenary session. The President of the Council also informs the President of the Parliament of the action the Councils have seen fit to take on Parliament's proposed amendments. Later the Councils made a practice of explaining the reasons for which they had been unable to follow Parliament's advice.

In August 1967, in reply to a written question by a parliamentarian, the new single Council stated it was in principle prepared to inform Parliament, at the latter's request and more especially in the course of general debates, of any reasons which may have induced it to depart from the opinions expressed by it.

Election of the European Parliament by direct universal suffrage

That the provision of Article 138,1 of the EEC Treaty under which members of the European Parliament are nominated by the national Parliaments from among their members was not regarded as a final solution by the drafters of the Treaty is apparent from the wording of paragraph 3 of that Article :

'The Assembly shall draw up proposals for elections by direct universal suffrage in accordance with a uniform procedure in all member States.

The Council shall unanimously decide on the provisions which it shall recommend to member States for adoption in accordance with their respective constitutional requirements.'

On 17 January 1960 the European Parliament declared itself, 28 by virtue of this mandate, 'determined to take as a basis for its task

the freely expressed will of the peoples of the member States of the European Communities', and adopted a draft convention on the election of its members by direct universal suffrage.

Already in 1958 Parliament had instructed its Political Committee to investigate all the problems that would be raised by elections of that kind. After more than a year's preparation, during which member of the Governments, political leaders and official and independent experts had been consulted, a special working party completed a draft convention on the election of Parliament by direct universal suffrage. The convention was accompanied by five reports setting forth the arguments supporting it.

The basic principles of the draft convention

The authors of the draft convention set out from the assumption that elections were both expedient and desirable. For one thing, they could help to remedy certain structural weaknesses in the operation of Community machinery. All the major problems facing the Brussels or Luxembourg institutions are political in nature. It is only natural, therefore, that their solution should flow from political will. This could, of course, emanate from the States of the Community. The authors of the draft convention, however, had some doubts—and not without reason—about the European solidarity of the Governments. They felt that the Communities should be anchored in the support of the peoples who in turn must realize that the Communities alone hold the key to Europe's future. The holding of European elections was and continues to be regarded as a means of awakening in the peoples of the Six a deep-rooted common political will 'capable of carrying through the construction of the Community in the face of all contingencies, differences of opinion or sectarian trends.' Active and direct participation of the peoples is also a matter of justice. In the opinion of the authors of the draft convention the Communities can never be the exclusive preserve of specialists and technicians because their activities embrace the entire economic life of the Six, entail decisions of the most radical kind and have the most varied and widespread repercussions. It is therefore not only right but a matter of the utmost urgency that the peoples of the Communities should be enabled through free elections—the only means by which they can express their will and participate in public affairs—to have a say in the drawing up of measures of crucial importance to them.

The draft convention on European elections was drawn up on the assumption that the electorate would be in favour of it. The working party did not share the view that elections are not alone enough to arouse public interest and that the public must first be made better acquainted with the nature of European problems. The working party argued that universal suffrage had been introduced in most of the States at a time when citizens had been scarcely better informed on domestic political questions. There were therefore no special grounds for fearing that European elections would prove a failure.

At the same time, the question of Parliament's powers was one that exercised the minds of the framers of the draft convention. Many members of Parliament argued that a widening of Parliament's powers ought to accompany, if not even precede, the holding of direct elections. The working party did not fall in with this theory as it feared that the submission of too many requirements might threaten the success of its draft. It confirmed that the main aim of the convention was to brace the Communities by institutions that reflected the political systems of the European countries. European elections were to be the touchstone of the democratic system common to all the countries and to impart to Parliament the fresh legitimacy and strength needed to enable it to exercise real political power. Furthermore the working party regarded the existing powers of Parliament as already fairly wide in relation to those of other European or international assemblies. For the time being, therefore, the working party set the elections within the context of the institutional system laid down in the Treaties. In a resolution passed together with the draft convention, Parliament therefore underlined

'the pressing need for enlarging its area of competence to enable it to exercise the functions of a real parliament, and more particularly a measure of legislative power and political and budgetary supervision.'

Main provisions of the draft convention

A good deal of controversy arose over the total membership of the elected Parliament. The working party felt that the number of members should be not too high but just enough to warrant elections and to ensure adequate representation of the various political movements of the Six and the smooth working of the parliamentary com-

mittees. The number of members could be determined in two ways : (i) by proportional representation, based on the actual population of the various countries; (ii) by overall or weighted representation based on the figures laid down in the Treaties. The working party plumped for the second alternative. The draft convention accepts the present weighting of seats as it stands, the increase in numbers being affected by simple multiplication of the figures laid down in the Treaties of Rome. Thus, the number of members would move up from 142 to 426—108 (instead of 36) each for France, Germany and Italy, 42 (instead of 14) each for Belgium and the Netherlands, and 18 (instead of 6) for Luxembourg. The main political justification for this distribution of seats was the equality of the larger countries and the protection of the smaller ones. The working party pointed out that the Communities were guided by federal principles which would enable all member States to conserve their individuality.

The draft convention provides for a transition period characterized by two features : (i) one third of the members of the elected Parliament will continue to be nominated by the national Parliaments; (ii) as regards the electoral system, general principles are laid down and reference is made largely to legislation in force in the member States.

The transitional period reconciles the need for direct elections with the need for the requisite minimum of contacts between the European and the national Parliaments. At the end of the transitional period the elected Parliament is to decide whether the compatibility of the national and the European mandate in the case of a third of the representatives is to be maintained or not.

The transitional period is not to end before completion of the third stage of the establishment of the Common Market. Whatever happens, it will be for Parliament to determine the exact length of the transitional period. It will further draw up the provisions on the election of representatives following the expiry of the transitional period on as uniform lines as possible. Until the final arrangement comes into force, however, each member State will remain responsible for its own electoral system. Because of national and political difficulties the working party refrained from proposing a uniform electoral system for the transitional period. The authors of the draft convention did, however, establish a number of principles which would be common to the different transitional electoral systems in the six member States :

- (a) Voters shall consist of men and women qualified in their own countries to take part in the election of parliamentarians;
- (b) The minimum voting age shall be 21 years;
- (c) Men and women of not less than 25 years of age shall be eligible to stand for election;
- (d) The provisions in force in each member State on the admission of political parties to the national elections shall also apply to the European elections;
- (e) European elections shall be held on the same day in all six countries and may not coincide with the national elections. This will ensure that the attention of the electorate will be focused on European policy and that candidates give their programmes a European slant;
- (f) Elections shall be held not later than one month before the end of each legislative period. Parliament shall meet automatically on the first Tuesday following a period of one month after the day of the elections;
- (g) Parliament shall verify the credentials of its members and settle any disputes;
- (h) No provision is made for by-elections where a seat becomes vacant. National legislations must ensure that the vacancy is filled.

On 17 May 1960, in addition to the text of the convention, Parliament passed a resolution on electoral procedure during the transitional period in which it signified its intention.

‘to submit opinions to the Councils on the electoral laws needed to give effect to the convention, and to address recommendations direct to the national Parliaments as to how they should bring their nomination procedure into line with elections by direct universal suffrage.’

The draft convention fixes the European legislative period at five years. Representatives in Parliament are to vote individually and on personal grounds, and must not represent the States or receive any directions or assignments from them.

As regards cases of incompatibility, the draft convention refers to the laws of member States. With the continued existence of the Communities, however, new functions have come into being, and for these the convention lays down European provisions. It covers a number of cases of incompatibility between the status of a representative in the European Parliament and, more particularly, that

of member of a national Government and of member of an institution or other body of the European Communities.

Other measures taken by Parliament following the adoption of the draft convention

The working party realized that the draft convention could not iron out all the problems arising from the election of a European Parliament and that legal as well as practical difficulties would be thrown up by disparities between the convention and the laws of the member States. In order to facilitate the work of harmonization it therefore made provisions in the convention for the Council of Ministers to set up an interim committee made up of equal numbers of delegates of the member States' governments and delegates of the European Parliament. The committee would be expected to submit opinions and recommendations. Its decisions would be carried by a two-thirds majority of the votes cast.

The question arose whether direct elections by universal suffrage should be held in the overseas countries and territories associated with the Community. The working party finally came round to the view that, because their status vis-à-vis the Community differs from that of the member States, the institutions should be made up entirely of representatives of the member States. To this legal argument was added the argument that participation by the Associated States in European elections would give rise to all sorts of difficulties. A choice had therefore again to be made between what was desirable and what was possible. Parliament confined itself to issuing a declaration of intent concerning participation by parliamentary representatives of the overseas countries and territories in the work of the European Parliament.

Bearing in mind the importance of such participation, Parliament announced

'its readiness to meet, at least once every year, parliamentary representatives to be nominated by the associated overseas countries and territories, with a view to discussing, under conditions to be jointly agreed, questions arising from the association with the European Communities.'

It was this declaration of intent that led to the setting up of the Parliamentary Conference of the Association which brings together

representatives of the European Parliament and of the Associated African and Malagasy States.⁽¹⁾

The working party recognized the need for an information policy to prepare the general public for the elections. It proposed a resolution which was passed by Parliament and of which the following is an extract :

‘Conscious that the task assigned to it by the Treaties is not discharged with the submission of these proposals; Parliament regards it as its duty to ensure that the draft convention is studied as speedily as possible by the Governments and then by the national Parliaments;

Is convinced that it is also its duty to ensure maximum participation of the peoples in the first European elections.’

In another resolution Parliament issued a mandate to a delegation

‘to establish all appropriate links with the competent authorities of member States and with the Council of Ministers with a view to ensuring that this draft convention is approved and given effect to as rapidly as possible.’

In accordance with the provisions of the Treaties, the draft convention adopted by Parliament on 17 May 1960 was passed on to the Council of Ministers. To date the Council has done nothing about this draft convention. In the meantime Parliament has spared no effort to bring home the importance of electing its members by direct universal suffrage as suggested even before 1958 by the drafters and signatories of the Rome Treaties. Wide sections of the public continue to take the liveliest interest in the prospect of European elections to which they look forward as a spectacular sign of a decisive shift towards a Community-based political system. There can be no doubt that we are here facing a crucial test for — technical discussions and questions of expedience apart — the strongest resistance to direct elections has been shown at the highest political level. The decision in question is a fundamental one that affects the future prospects of federal Europe. Such elections would enable the European Parliament to increase its independence and authority—in short, to become something more closely approaching a real parliament. There is no blinking the fact that member States are in no hurry to bring this about. European elections will not solve all problems, but the

mere fact of restoring them to the agenda of the Governments' discussions would be a sign of real determination to establish a political community.

Widening and strengthening of Parliament's powers

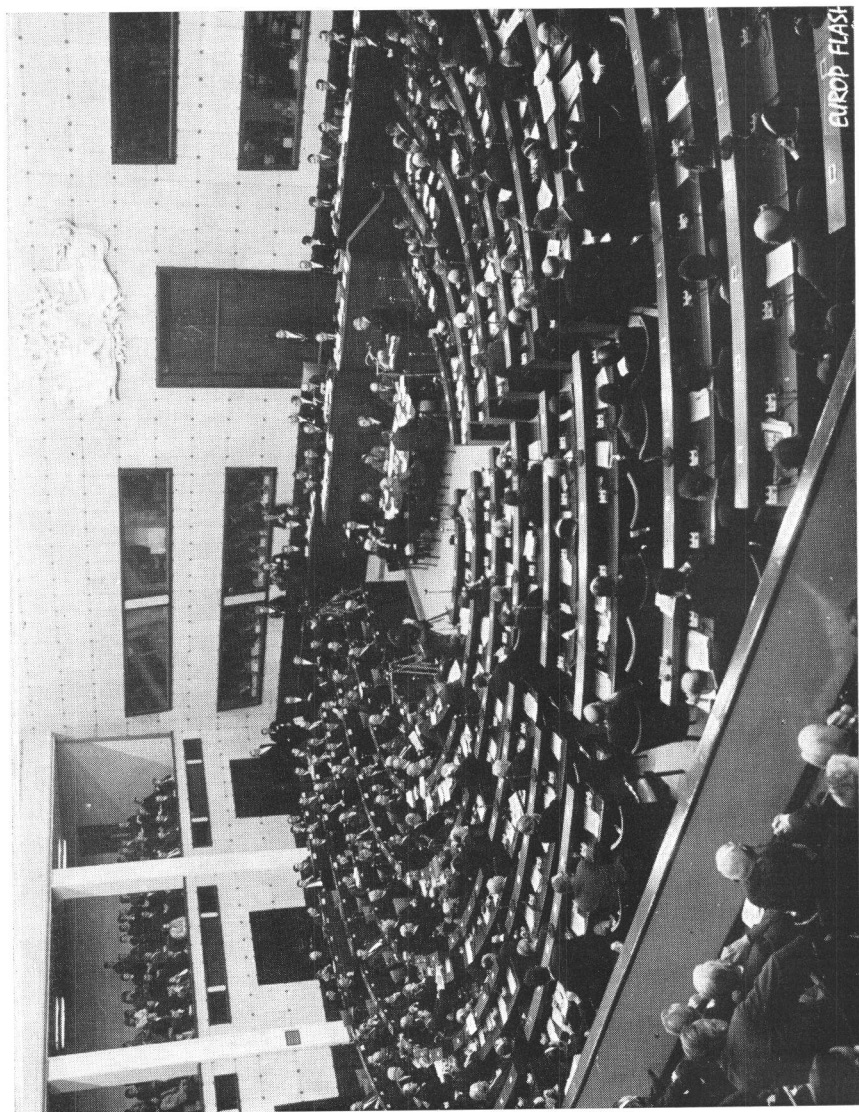
The working party engaged in studying the question of direct elections had, as already mentioned, decided not to link up this problem with that of Parliament's jurisdiction and powers. Parliament accepted this decision but, in adopting the draft convention, underlined 'the pressing need for enlarging its sphere of competence so that it could exercise the functions of a real parliament and, more particularly, a measure of legislative power and political and budgetary control.'

This concern was reflected in the extensive work carried out by the Political Committee which was reviewed in a report prepared by Mr. Furler and discussed in Parliament on 27 June 1963. In the resolution adopted at the end of the debate, Parliament dwelt on the fact that any real progress by the Community must go hand in hand with the development of its institutional structure, and that the transfer of legislative powers from national to Community level must be accompanied by a corresponding strengthening of parliamentary powers within the Community. Wider parliamentary powers were also essential to strengthen the democratic structure and spirit of the Community.

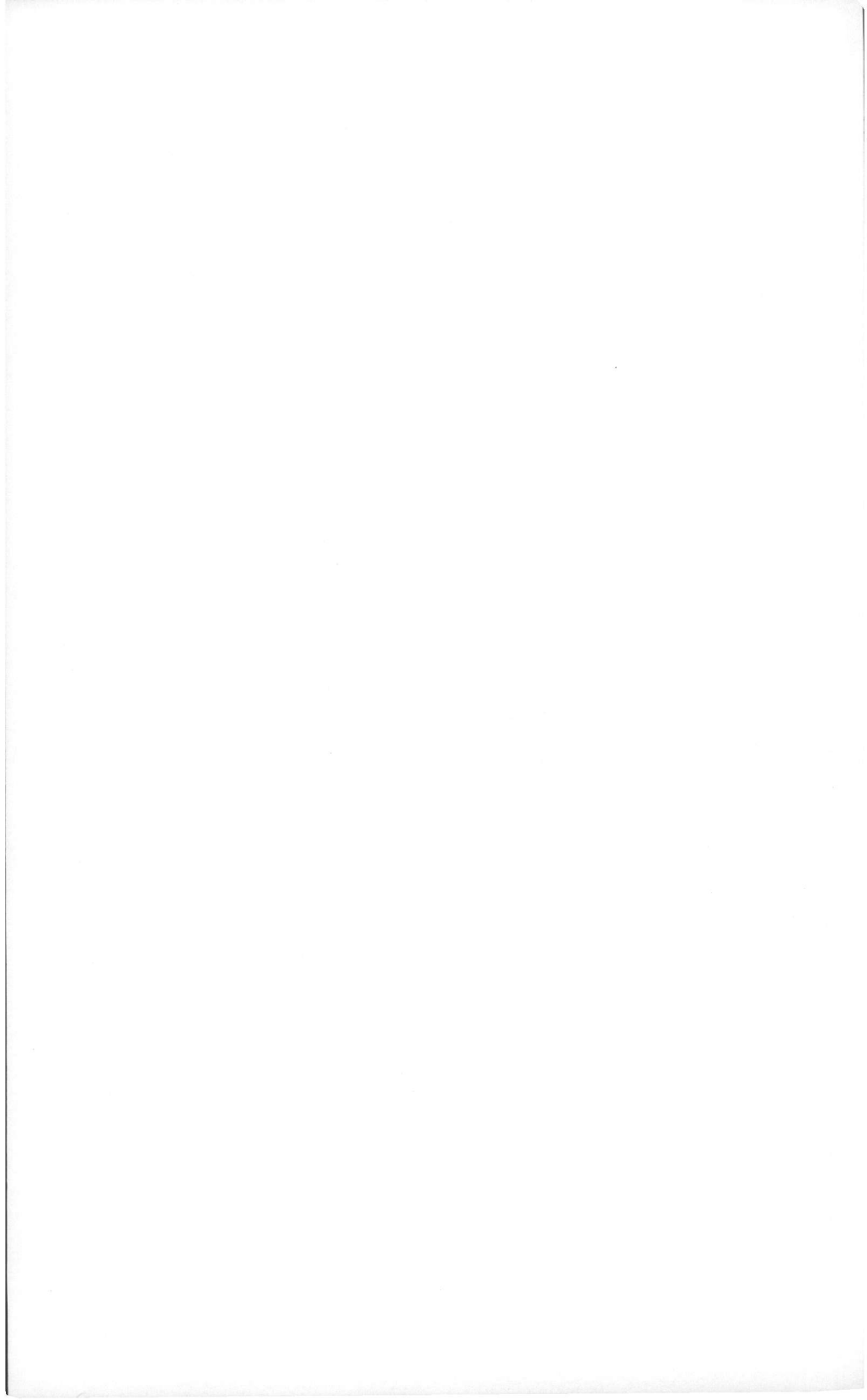
Clear-cut proposals were made regarding :

- (a) active participation in the nomination of the Executives;
- (b) debate on the statement of programme to be made before Parliament by each new President of an Executive;
- (c) better consultation procedure arrangements;
- (d) the changing of the consultation procedure into a right of approval in all the major fields and particularly as regards legislative decisions;
- (e) ratification by Parliament of all international agreements concluded by the Community;
- (f) right of decision on the budget directly the Community secures its own sources of revenue;
- (g) nomination by Parliament of the judges of the Court of Justice from a list submitted by the Governments.

In this way Parliament has paved the way for a steady 'democratization' of Community activity. The parliamentary guarantees it demands to enable it to defend the interests of the European peoples are all the more necessary in the crucial stage of integration reached today, that of preparing a common policy and a body of Community law in many spheres that have a direct impact on the day-to-day life of every European citizen.



The European Parliament in session at Strasbourg



III

Towards balanced economic development

Since the Treaties of Rome came into force on 1 January 1958 all economic policy measures within the European Community have had to be governed by the following considerations :

- (a) The need to steer towards a customs union which, under the terms of the EEC Treaty, is to be automatically introduced and completed on 1 July 1968. All internal customs duties will be abolished and the Community will operate a common external tariff vis-à-vis non-member countries;
- (b) The achievement of the economic union provided for in the Treaties, incorporating the already existing ECSC. This means increasingly substituting—while resorting to any transitional arrangements that may be necessary—Community solutions for national economic policies and legislation. Such substitution must be effected within the institutional framework defined by the Treaties in which Parliament is assigned the important rôle set out in the preceding chapter. Although Parliament is not yet Europe's law-maker, its supervisory functions and its right of initiative at policy level imposes on it a responsibility which grows in importance with the impact made by Community decisions on the day-to-day existence of the new citizens of economic Europe.

With these considerations in mind parliamentarians are doing their utmost to ensure that the transition from the stage of national economies to that of customs union is effected as smoothly as possible

so as not to disturb the economic balance. Moreover—as the drafters of the Rome Treaties clearly realized—in our dynamic industrial society such a transition cannot be accomplished simply by aggregating a number of more or less static economies—somewhat on the lines of the grouping together of the German *Länder* into the nineteenth century *Zollverein*. Today, on the other hand, national economic structures protected by customs barriers must be replaced by new Community structures paving the way to economic union. Only thus can customs union become effective. Moreover, the need to set up such a union compels the Community authorities to make active preparations for economic union so as to avoid upsetting the balance of the economies.

Every year, at the time the EEC Commission's general report is discussed, Parliament—by virtue of its supervisory powers—has commented in its resolutions and opinions on the consequences of setting up a customs union, made a careful study of the resulting market conditions, pointed out possible dangers and called for measures for averting them. It has further concerned itself with preparing the ground for economic union and with the forward-looking and constructive ideas and Community legislation this demands. Economic union has now been achieved in the agricultural sector. (See Chapter IV). In all the other spheres for which the EEC Treaty demands a uniform or at least co-ordinated policy numerous difficulties have still to be surmounted. It is the intention in this chapter to draw attention, if only in a general way, to the contribution made by Parliament in the following major fields :

- (a) the Community's *medium-term economic policy* which has increasingly set the general pattern for activities in the economic policy field;
- (b) the Community's *overall financial and economic policies*. An account will be given below of the efforts made with regard to (i) a co-ordinated *short-term economic policy* as a means of steering economic development, (ii) *monetary policy* and *public finances* as the bases of a healthy modern economy, and (iii) the *European capital market* and *investment* as crucial factors for economic growth;
- (c) *regional policy* as a means of tempering the effects of a form of economic growth largely governed by immediate considerations of expedience;
- 40 (d) *energy policy* as a prerequisite of any economic activity;

- (e) *transport policy* as a pillar of an expanding trading economy;
- (f) *competition policy* as a means of ensuring orderly economic progress.

The Community's medium-term economic policy

It was in the European Parliament that were held the crucial discussions that culminated in the adoption of the economic concept according to which full and lasting integration of the economies of the Six can be achieved. This concept is today summed up in the expression 'medium-term economic policy.'

Medium-term economic policy aims at a modern and effective synthesis that will bring economic activity into line with specific objectives jointly formulated by political institutions and industry, and at the same time at the widest possible measure of freedom of decision for entrepreneurs and of independence for the market. This process is going on—in varying degrees and under different names—in all member States of the Community. Hence the need to work out a medium-term economic policy for the Community. Such a policy must seek to replace the present aims of member States—still strongly influenced by national considerations—as well as the corresponding economic policies, by a series of Community objectives and the economic policy instruments necessary to achieve them.

To date the Community's efforts in this field have reached the following point: on 29 April 1966 the EEC Commission submitted to the Council of Ministers a 'draft medium-term economic policy programme for 1966-70.' This outlines the general prospects for the Community's growth over that period and contains guidelines for their achievement. Within this context are specified the aims to be attained as regards employment and occupational training policy, public finance policy and regional policy. This draft programme today largely influences the proposals, recommendations and opinions of the single Commission of the European Communities set up on 1 July 1967. It has therefore become an indispensable working tool for the achievement of full economic union. Experts are constantly improving it and are also devoting attention to the aims and prospects of a common science policy.

The European Parliament has on two occasions pointed the way to such a programme. The first was in 1962 during a major

debate when a discussion opened up between the last determined opponent of economic planning, Dr. Erhard, then Economics Minister of the Federal Republic, and Dr. Walter Hallstein, then President of the EEC Commission. The second occasion was in January 1964 when Parliament was consulted on the Commission's recommendation concerning the preparation of a medium-term economic policy programme.

On 20 November 1962, at the discussion between Parliament on the one hand and the Councils of Ministers and Executives on the other, the item 'The aims of the Community in the second stage of the transition period (1963-65)' stood on the agenda. At Parliament's express wish the EEC Commission had submitted a concrete action programme. Apart from the 'General Objectives' which the Treaty required the High Authority to lay down for the coal and steel sector, this programme was the first document in the history of European economic integration to employ the terms 'long-term forecasts' and 'programming.' The debate wound up with the adoption by all the political groups in Parliament—subject to reservations here and there—of these terms of modern economic policy. The peoples' representatives thus displayed a community of views which augured well for the future.

Only Dr. Erhard, as an out-and-out partisan of economic liberalism, put up determined opposition. He spoke of a 'highly questionable superfluity of planning' and said he was convinced that '... such theorizing, even where it is intended to serve merely as a guide, either fails to keep pace with events or tends to cramp them as in a vice. This is why we should clamp down on these ideas before they get out of hand. We have never deluded ourselves into believing that life can be grasped in all its variety with the aid of a mass of figures. The way men think and act—and this is what matters—is a qualitative affair, and this applies equally to entrepreneur, merchant or even the smallest consumer. Man's behaviour eludes quantitative assessment. This is why I am certain that any attempt such as this is doomed to failure.'

On these ideological grounds Dr. Erhard opposed any proposal that the State should lay down economic policy aims or that political institutions should exercise influence over or interfere with the affairs of the bodies responsible for economic policy, i.e. employers' and workers' associations, banks, industrial and commercial undertakings, etc.

Even in 1962, however, Dr. Erhard's ideas found few supporters in the European Parliament. Dr. Walter Hallstein observed that '... when men are left to do entirely as they please, the balance of forces favours the strong who can always use the weak for their own ends... This is why legal provision has to be made for the presence of the State in the economy.'

Professor Hallstein then went on to show how these legal provisions, so necessary and everywhere in force, ought to be geared to the Community aim of a real European economic union. It was here that programming could be of real help.

As a result of this debate in Parliament the Commission was free to go ahead with further Community planning.

On 21 June 1964 Parliament discussed a recommendation submitted by the EEC Commission to the Council on a common medium-term economic policy reflecting the views on planning expressed by it in 1962.

The Commission justified its recommendation on the grounds that the Community ought to draw up forecasts of economic growth stretching over several years, and suggested a medium-term economic policy covering a period of four to five years as a framework for the measures of the national Governments and the European institutions.

The Commission suggested that the following procedure be followed. An independent panel of experts should first conduct a purely quantitative survey in the light of all the information available. On the basis of this, a committee composed of senior government officials responsible for the economic policy of their respective countries would draw up a common medium-term economic policy programme. This would lay down objectives and suggest the economic policy measures needed to attain them.

The European Parliament's opinion on this recommendation was prepared in a report of its Economic and Financial Committee. On the major policy question of planning or no planning, the report observed that the resistance put up in many quarters to any form of State planning had noticeably declined.

'A free market entirely devoid of State intervention is today no longer conceivable. The real alternative is not between a free market and economic planning. Every economic policy allows scope both to the factors of a free market, particularly the initiative of the entrepreneur and the play of competition, and to the

instruments of State intervention. Where the State steps in, however, it must do so in a systematic manner...

The need for systematic co-ordination is even greater at EEC level. To the conflicting requirements of the various sectors must be added clashes of interest at national and regional level. These can only be reconciled in terms of a unified economic approach based on an overall political concept.'

The report welcomed the Commission's marked reluctance to accept any form of unduly rigid planning entailing the risk of excessive State influence and a perfectionist approach. It also noted that the economy would have to overcome a number of difficulties through its own efforts. 'Such efforts are generally preferred to State intervention as being closer to reality and therefore more effective.'

The debate showed that all parliamentarians were in principle in favour of this pragmatic non-ideological approach to reconciling economic forecasting and planning with traditional European concepts such as freedom of entrepreneurial decision, freedom of the consumer and freedom to choose an occupation. Given the different backgrounds of the various parliamentarians, it goes without saying that certain qualifications were raised. It was interesting to note, for example, that the French members of the Liberal group came out strongly in favour of democratic planning of the economy as a whole, whereas German liberals considered that economic surveys ought to be carried out not by the State but by independent scientific institutes, and refused to accept that planning could exercise a dynamic influence of its own.

In its resolution Parliament welcomed and supported the Commission's recommendation as a whole. It underlined the need to keep the medium-term economic policy flexible and to review it from year to year. Moreover, it dwelt on the importance of the economic policy instruments of member States for an effective common policy and asked that they should be overhauled in the light of Community requirements. With regard to its own institutional position, Parliament looked to the EEC Commission to discuss its objectives, before their final adoption, with the parliamentary committees concerned, and to seek Parliament's opinion on any proposals pending the day it acquired real legislative power of its own.

After consulting Parliament the Council of Ministers adopted the EEC Commission's recommendation. On the basis of the survey prepared by the experts, the committee of senior government offi-

cials set up in accordance with the recommendation drew up the 'draft programme for a medium-term policy for 1966-70.' The EEC Commission took this over unchanged and submitted it to the Council of Ministers which, at its meeting of 17 and 18 May 1966, decided to consult Parliament on the subject.

The debate in Parliament was held on 30 November 1966 on the basis of a comprehensive report by the Economic Affairs Committee. While welcoming the positive aspects of the programme, the committee drew attention to its weaknesses :

'The first medium-term economic policy programme consists mainly of guidelines for economic policy, indicating the course to be followed to attain a particular objective. But the means of attaining this objective are almost entirely in the hands of the Governments of member States, and even then largely in terms of moral influence. More could not have been expected of a first programme.'

All spokesmen of the parliamentary groups nevertheless welcomed the progress that had been made.

In its resolution Parliament considered that increased public investment and directly productive investment, kept at a high level, would be indispensable to ensure economic growth while safeguarding internal and external balance. It endorsed the objective defined in the programme according to which consumers' expenditure should be maintained at an appropriate level, to the benefit of investments. It urged that public investment programmes and forecasts extending over several years should be established showing the intentions of the Governments in the matter of economic policy so that the rest of the economy could obtain guidance from them. It recommended, in view of an inevitable and rapid expansion of public investment, more economic management of budgets, a review of subsidies and a fiscal policy which would make it possible to cover expenditure, without however provoking inflationary trends in the economy at large. At the same time it considered that a policy on company capital should be introduced to strengthen capital markets, increase the propensity to save and give workers a greater share in the general formation of capital. Finally Parliament urged that activities in the field of medium-term economic policy should be pushed ahead with and at the same time improved and extended.

The medium-term economic policy thus introduced into the process of European economic integration new techniques and

guidelines which, largely thanks to the European Parliament, could develop a steadily increasing momentum of their own closely geared to the needs of the Community.

The Community's economic and financial policy

The Common Assembly had already maintained, mainly through the discussion of the High Authority's general reports, a permanent dialogue with this first European Executive on the economic and financial policy problems encountered in the member States.

The European Parliament continued these exchanges of views with the three Executives during the discussion of their general reports and above all when the EEC Commission's annual report on the Community's economic situation was presented.

As far back as January 1959 a report by the Economic and Financial Committee brought out the three major aspects on which Community efforts in the field of an economic and financial policy aiming at an ultimate economic union should concentrate :

- (a) *Short-term economic policy as an essential vehicle of a common economic policy* : Parliament invited the EEC Commission to take all the steps necessary to ensure co-ordination of the short-term economic policies of member States provided for in Article 103 of the EEC Treaty.
- (b) *Monetary policy and public finances* : Parliament urged the need to co-ordinate or standardize fiscal and budgetary policies, without neglecting public investment in member States.
Above all it stressed the need for maintaining monetary stability.
- (c) *The capital market and investment in general* : Parliament underlined the fact that the necessary level of investment depends on the further development of the capital markets of the Community countries and on their conversion into a single capital market through speeded-up liberalization of capital movements.

Many of these objectives, which were laid down during the initial stage of the European Economic Community, have since been partly achieved, Parliament having throughout contributed constant suggestions and encouragement. Only a few of the main reports, debates and resolutions dealing with these can be mentioned in these

Short-term economic policy

In May 1960 Parliament, in the light of a report by the Economic and Financial Committee, drew the attention of the Commission and Council to the need :

- (a) for reaching basic agreement on the objectives to be attained through the short-term economic policy;
- (b) for working out a common approach to be adopted by member States in the presence of specific economic trends;
- (c) for checking the adequacy and effectiveness of short-term economic policy instruments.

Parliament renewed these requests each year with slight changes to take subsequent short-term economic developments into account. At the same time it was highly critical of the failure to achieve practical results in the co-ordination of both short-term and longer-term economic policies.

It was not until 1964, at the height of a period characterized by overheated economies and inflationary price trends in all the Community countries, that the first concrete measure was taken. On a proposal by the Commission, the Council sent member States on 15 April a recommendation that they should give top priority in their economic policies to a sound balance of payments position and to the re-establishment of price stability. The Council recommended a curb on public spending as the best means of righting the balance of payments. It invited member States to introduce an incomes policy under which wage increases would be tied to productivity, at least so long as inflationary pressures remained at that high level. This recommendation undoubtedly led to some results, though these were limited by the degree of willingness of the various Governments and by the effectiveness of the short-term policy instruments available to them.

In November 1964 Parliament again raised these matters during the annual discussions between the Council and the Executives. After reviewing the measures taken by member States and the results achieved, Parliament decided that neither the short-term policy as such, nor the policy instruments needed to put it into effect, sufficed to deal with the changing pattern of economic trends. Short-term economic policy could only achieve its end if it was accompanied by a long-term development policy.

Such a development policy could be built up around the Com-

munity's medium-term economic policy programme already referred to, and to the drawing up of which Parliament largely contributed.

The following two sections will be devoted to the issues thrown up by major aspects of such a policy, namely monetary policy and public finances.

Monetary policy and public finances

Since May 1962 Parliament has concerned itself closely with the co-ordination of monetary policies and of budgetary and financial policies within the Community. The ground was prepared for the first debate by separate reports by the Economic and Financial Committee on the co-ordination of monetary policies and on the co-ordination of budgetary and financial policies.

The need to co-ordinate *monetary policies*, vital and inseparable elements of any economic policy, flows logically from the EEC Treaty which provides therefor in its Article 105,2. The Treaty also provides for the setting up for this purpose of a monetary committee with consultative status. Parliament has from the start felt that it ought to impart a dynamic content to the somewhat indeterminate provisions of the Treaty. In a resolution of 17 October 1962 passed after the debate on the report on the co-ordination of budgetary and financial policies Parliament called, as the first steps towards co-ordinating monetary policies, for :

- (a) improvement and standardization of exchanges of information and statistics between member States;
- (b) the creation of an adequate range of monetary policy instruments;
- (c) a ban on the alteration of exchange rates without prior consultation among member States;
- (d) close collaboration with the institutions of the International Monetary Fund and the OECD.

As a long-term requirement, Parliament stipulated that the policies of member States, once co-ordinated, should gradually give place to a common monetary policy.

'In order to achieve a common monetary policy, a federal organization of the central banks of the Community countries must be progressively brought into being.'

With this in mind, the EEC Commission, in a communication addressed to the Council on 19 June 1963 concerning monetary and financial co-operation, proposed the setting up of a committee of

governors of central banks of member States which was to meet at regular intervals jointly with a member of the Commission.

Parliament naturally welcomed this development in the debate held on this communication on 24 January 1964. How far the steps still fell short of Parliament's demands can be gauged, however, from the comments made in the Economic and Financial Committee's report: the prior consultation procedure did not work as well as had been expected when the French franc was devalued and when the values of the German mark and Dutch guilder were raised. The member States concerned appear to have done nothing more than notify their partners.

In November 1966 Parliament again checked the position in the light of a report by the Economic and Financial Committee concerning the future activities of the Community in the field of monetary policy and the establishment of a European monetary union.

The report and the ensuing resolution explained why monetary policy tasks were becoming more and more urgent:

'The disturbances and weaknesses which make themselves felt in the different member States, and in particular inflationary and deflationary trends, appear to be spreading more and more lastingly from one Community country to another. It is true that substantial progress has been made at institutional level—the Monetary Committee must be consulted before any decision is taken by member States in the field of international monetary relations; the Committee of Governors of Central Banks holds regular meetings; member States have undertaken to consult each other before altering their exchange rates. Nevertheless the Community has a long way to go before achieving the unified capital market, so urgently needed, and a co-ordinated monetary policy'.

At the suggestion of Mr. Dichgans, member of the Bundestag of the Federal Republic of West Germany, the European Parliament recommended, as a first step towards a European monetary union, the introduction of European coins to circulate in all Community countries.

Problems of the world monetary system were also tackled and a call was made for a common approach, particularly in dealings with the International Monetary Fund. It was in this spirit that the six Finance Ministers attended the international monetary conference held in Rio de Janeiro in September 1967.

The controversy over the alignment of member States' *budgetary and financial policies* is inseparably bound up with Parliament's efforts

to ensure the co-ordination of monetary policies. The report of May 1962, already referred to, on the co-ordination of monetary policies, formed the basis of all these activities. In a resolution of 17 October 1962 Parliament set out its initial wishes :

- (a) Member States' budgets should be made comparable, particularly in their breakdown in the light of economic criteria;
- (b) A European economic budget was essential and must be discussed in Parliament;
- (c) Comparable budgets must be a step towards a concerted budgetary policy modelled on the lines suggested in the European economic budget;
- (d) Public investments should be co-ordinated in the Community and private investments fostered and guided by means of a co-ordinated approach.

The main obstacle to carrying out the last two suggestions lies, according to the report on which the resolution was based, in the fact that :

'co-ordination of budgets and budgetary policies presents a variety of political aspects. It will become all the easier as the Community moves forward to a measure of political integration.'

In view of the difficulties encountered on this path, there was no alternative in the field of economic and financial policy but to introduce purely formal arrangements.

This is why the EEC Commission, in its memorandum to the Council of 19 June 1963 on monetary and financial co-operation, merely asks that a Budgetary Policy Committee be set up 'to study, during the preliminary stages of the preparation of State budgets, the broad outlines of the member States' budgetary policies.'

In the debate on this memorandum Parliament naturally endorsed this proposal. At the same time it referred to the above-mentioned resolution of 17 October 1962 'whose recommendations clearly spell out the nature of the Executives' political task.' The Economic and Financial Committee's report of November 1966—already mentioned—could do no more than point out that the Budgetary Policy Committee had started on its work.

The European capital market and general investment

Parliament's first real efforts aimed at establishing a European capital market, and at encouraging and guiding the general investment

required for such a market, date back to the March 1965 session. It is true that the basic discussion referred to earlier in this chapter had already taken place the previous January, and that questions relating to the capital market and investments had already been touched upon in the debates and resolutions devoted more particularly to short-term economic policy. It was not however until the debate of 23 March 1965 on the EEC Commission's statement regarding the economic situation of the Community in 1964 and the outlook for 1965 that the problem of a European capital market came to the forefront. The Economic and Financial Committee's report had already posed this problem in the context of the medium-term economic policy programme then in preparation :

'The main purpose of the Community's medium-term economic policy should be the creation of production units capable of meeting the technical, economic and financial requirements of the modern world. This, in turn, presents considerable financing problems for undertakings. The EEC Commission therefore proposes a reform of the member States' financial market pending the creation of a large-scale European capital market and an investigation into the effects fiscal systems have on self-financing... It puts forward proposals for harmonizing taxes on capital movements and for eliminating administrative provisions that hamper the circulation of capital.'

In the resolution summarizing this report Parliament called upon the EEC Commission

'to take measures in the current year for the promotion of capital movements between member States with a view to creating a large-scale European capital market.'

Eighteen months later the Economic and Financial Committee's report, already mentioned in connexion with monetary policy, returned to the problem in November 1966 when it outlined the many tasks still to be done for the purpose of liberalizing the Community's capital market as well as the main features of that market. On the basis of this report, Parliament's requirements were summed up as follows :

'The European Parliament,

Considers that it is indispensable and urgent to pursue the liberalization of the Community capital market in particular for short-term capital movements and issues by Community undertakings and, to this end, hopes that the economic, monetary and budgetary

policies of the Community countries will be co-ordinated satisfactorily;

Believes that excessive demand for capital by the authorities and certain forms of interest rebates granted by the States to the private sector can weigh upon the capital market in such a way that inflationary impulses result, and invites the EEC Commission to submit proposals for the removal of these disturbing factors to the Council of Ministers and the Governments of the member States.'

Marked national divergences and clashes of interest have still to be surmounted both in general capital market and investment policy and in monetary and budgetary policy. This can only be done by pursuing common objectives which can now be fixed in the light of the Community's medium-term economic policy.

Regional policy

Ever since it began concerning itself with regional policy Parliament has regarded it as a lasting and essential aspect of the general economic policy not only of member States but, even more, of the Community. Parliament's views on regional policy were recently set out in a resolution of 17 October 1966 concerning the Community's medium-term economic policy programme.

Parliament first turned its attention to regional policy questions in May 1960 in a debate conducted on the basis of a report by the Economic and Financial Committee. This report defined the nature of regional policy and briefly reviewed how it had been applied in the member States and the instruments available to it. Finally, in the light of the provisions of the EEC Treaty and of a first assessment of the situation of regional policy in Europe, it put forward objectives and outlined the prospects of a European regional policy.

The trend in the modern economy has been towards greater and greater concentration of industrial production in given areas. Others have tended to fall farther and farther behind. According to the report, this situation can be dealt with in one of two ways :

- (a) by speeding up the development of wealthy areas and encouraging a systematic drift of the population from those that are underdeveloped;

- (b) by seeking out methods—technical, economic and social—of enabling the less developed areas to close up the gap as far as

possible by deriving the maximum benefit from the development of the economy as a whole and thus attaining a measure of equilibrium.

There is no doubt that without the corrective of regional policy the progressive integration of the economies of the Six cannot but accentuate the trend towards concentration in already highly developed areas. Thus both the letter and spirit of the Treaty of Rome and the inflexible demands of our civilization point to the second alternative.

Because the lack of progress, and even regression, in certain economic areas throws up acute human problems, the representatives of the peoples have been particularly active in this field. The parliamentarians concerned have set up, independently of political groupings and parliamentary committees, their own 'Group for the study of regional and local problems' which works in close collaboration with the Council of European Local Authorities. Their main concern is to ascertain the effects of Community measures at regional and local level and to discuss the resulting problems. It is in this way that the nature of the tasks to be tackled by regional policy are brought to light. These parliamentarians also believe that a sound European consciousness can only be created if a link is established between the everyday life of Europeans, which hinges on the local community and economic area, and the Community institutions. It is for the parliamentary institutions to provide this link.

Apart from the large number of industrial redeployment measures taken by the ECSC and the assistance provided by the European Investment Bank and European Social Fund, regional policy in Europe has still not emerged from the study and project stage. For its part, Parliament has done its utmost to speed up developments in this field.

In a resolution going back to 17 May 1960 it invites the Commission :

- (a) to press ahead with its investigations into the regional organization of the Community, at the same time ensuring co-operation with other bodies also engaged in surveying regional structure;
- (b) to draw up as rapidly as possible a list of institutions and other bodies in the Six member States which are active in this field and responsible for the regional economy;
- (c) to take special account of areas with exceptional problems; for example, those straddling intra-Community frontiers (e.g. the

Lorraine-Saar-Luxembourg industrial triangle) or lying at the Community's outer boundaries (southern Italy, Brittany, German territories adjoining the zonal border).

To date little more has been done than to take stock of the situation. At the same time a tendency is emerging to think that European regional policy can only be secondary, and supplementary, to co-ordinated measures taken at regional and national level.

The problem was again gone into at the January 1964 session in the light of a report by the Economic and Financial Committee. In the meantime there had been certain changes in the scene. In September 1960 the ECSC had organized a big conference on industrial redevelopment, and the EEC, at the suggestion of Parliament, a conference of experts on regional policy problems. At the end of these conferences working parties made up of national experts had been set up. The second parliamentary report could therefore draw on a wealth of expert opinions and at the same time, at the express wish of Parliament, tried to sum up the work done by the three Communities. It outlined courses of action with regard to four crucial problems :

- (a) The danger of increasing still further the economic difficulties at the Community's outer boundaries;
- (b) Changing the position occupied, as regards economic geography, of national frontier areas (Belgian Ardennes, German Eifel and parts of Alsace). Because of the tragic course of European history, the general infrastructure of these areas falls short of modern economic requirements despite the fact that they be at the economic centre of the Community;
- (c) The reconversion of areas whose industrial development is onesided and whose markets are shrinking (particularly coalmining areas);
- (d) The reorganization of agricultural areas.

In a resolution of 22 January 1964 Parliament endorsed the following conclusions reached in the report :

- (a) The EEC's economic policy should be defined so as to take account of its effects on the different regions;
- (b) A regional policy can only be effective if the Community bases its measures on medium- and long-range overall prospects;
- (c) Even if the main responsibility for regional policy is to remain with the individual member States, the Community must have an independent source of revenue to enable it to play a more effective part;

(d) Although the Community authorities must be mainly responsible for drawing up directives on a common regional policy, they should play only a secondary rôle in their implementation.

Following these moves by Parliament, the EEC finally submitted in May 1965 a first memorandum on regional policy in the Community. Parliament discussed this at its June 1966 session in the light of a report by its Economic and Financial Committee and of a special report by its Social Committee concerning the social aspects of the High Authority's redevelopment operations.

In a resolution of 27 June 1966 Parliament summarized its attitude towards every aspect of this all-important Community task :

'The European Parliament urges the responsible Community authorities to show a more vigorous resolve to tackle the problems of regional policy in a practical manner, to adapt their methods to circumstances, to strengthen the machinery and augment the financial means available, and bring to bear a sound and closely-knit body of measures constituting a detailed action programme which the member States may take as the basis for their relevant legislation;

It approves the EEC Commission's first memorandum which it regards as a first step towards the gradual adoption of a common regional policy, but urgently invites the Council of Ministers and member States to proceed to a rapid study of the problems of the common regional policy and to find a satisfactory solution within the framework of the Community's medium-term economic policy;

It invites the High Authority to pursue its courses of action when the Executives are merged, co-operating more closely with regional and national authorities both in structural studies and at the practical level;

It suggests that the Commission of Euratom should consider nuclear energy policy as an essential component of regional policy, and urges Euratom in drawing up its programme for the installation of atomic power stations to have an eye to regional industrialization plans connected with the general policy of the Community;

It hopes that the present structure and statutes of the European Investment Bank will be revised so as to make of it the main instrument for giving effect to the common regional policy. It invites the Community authorities to study ways and means of

creating a special fund for financing regional development. It considers that the Agricultural Guidance and Guarantee Fund also has an important rôle to play in the field of regional policy but that first it should be supplied with the necessary facilities and its system of aid be brought up to date. Parliament also looks forward, as in the past, to a reform of the Social Fund;

It again recommends that the Community establish a central documentation and information service for matters of regional policy and co-ordinate methods of collecting and processing regional statistical data in the member States;

It considers it an urgent preliminary step to overhaul the staff organization and increase the funds and establishment of the existing departments in the EEC Commission, and urges the Council of Ministers to have due regard to the suggestions submitted to it;

It fully appreciates the political value of participation by representatives of local and regional authorities in the planning of Community regional policy and considers that the establishment of closer contacts between Community bodies and representatives of the regions is an essential factor for truly democratic collaboration in this sphere ;

It believes it indispensable that the member States pursue a resolute policy to encourage investment in the less-favoured regions and to supply with appropriate funds the local authorities which, at various levels and each within their sphere, are responsible for regional policy.'

Energy policy

From the outset one of Parliament's chief concerns has been to see established a common European energy policy and a common energy market covering every form of energy. As the interpreter of the Community's political will, it attempted in numerous debates to overcome the crippling effect of the dispersal of institutional powers in the energy sector resulting from the Treaties. Coal is governed by the provisions of the ECSC Treaty which proved of little use in dealing with the coal-market crisis, which could not have been foreseen in 1951. The other conventional sources of energy (petroleum, natural gas, hydro-electric power and electricity) are governed by the general provisions of the EEC Treaty, while for nuclear energy the

European Atomic Energy Community was specially created. None of the three Treaties contains any provisions relating to a common energy policy or even a timetable for its elaboration. Parliament has tried to get this gap filled or at least to ensure that measures taken in the various energy sectors are co-ordinated at European level. The main difficulty was, and remains, that because of this gap in the Treaties the actual partners to the dialogue have remained the national Governments over which Parliament has no institutional control.

The European Parliament concerned itself with the coal crisis mainly during the debates on the annual reports on the ECSC's activities and did all it could to support the action taken by that institution. When, in May 1959, the Special Council of Ministers turned down the High Authority's plan to declare a state of 'manifest crisis' and introduce production quotas and import restrictions for coal, Parliament could not leave out of account the grounds adduced by the various Governments for rejecting this proposal. The serious clash of interests between the Governments also emerged during Parliament's debates. Nevertheless Parliament stressed the need for the largest possible measure of Community action within the general framework of an energy policy applicable to the whole Community.

In a resolution passed in January 1959, it opposed an energy policy aimed merely at protecting coal. It called for regional development of the energy sources—petroleum and nuclear energy—in so far as this would raise living standards in Europe. At the same time it stressed the importance of the European coalmining industry and pointed out that the widest possible measure of harmonization of conditions of price formation and taxation ought to be the major aspect of European energy policy. In addition it recalled the need for readaptation measures which must go hand in hand with restoring the competitiveness of European collieries.

In this way Parliament defined two of the main objectives of energy policy which today remain as valid as ever for the European institutions and the national Governments: low-priced energy supplies and the progressive substitution, on economic grounds, of one source of energy for another in such a way as to avoid any adverse social effects.

The debates in Parliament did not, however, clearly bring out what should be the nature of security of supplies or how this could be ensured. The European Executives which, in 1959, had set up

an inter-Executive Working Party on Energy led by the High Authority, were invited to draw up long-term supply forecasts. These were submitted in December 1962 and, in April 1966, revised and extended to the year 1980 under the title of *Nouvelles réflexions sur les perspectives énergétiques à long terme de la Communauté européenne*.

As long ago as 1959 Parliament had asked that these energy forecasts be incorporated in a long-range Community economic action programme. The 'Community's medium-term economic policy programme' of April 1966 thus reflects to some degree, as far as energy is concerned, a wish expressed by Parliament many years ago.

In the ensuing years Parliament defined a number of its ideas and wishes more clearly but none of the measures desired, for which the national Governments retained their competence, was taken. In June 1960 Parliament criticized the institutional weakness of the Executives in the energy sector and endorsed the conclusion of its Energy Committee :

'What is needed is a joint co-ordinating body invested with wide and effective powers always ready to deal with problems at European level and which, even if it cannot immediately be invested with formal authority, can nevertheless put forward proposals with sufficient powers of persuasion to make of them something not far short of decisions.'

In a resolution of June 1960 Parliament raised the important issue of a common commercial policy presupposing

'a common approach towards economic powers which provide or can provide a major part of our energy supplies, whether in the public or in the private sector and whether in the East or in the West.'

During its October 1960 session Parliament discussed a report of its Energy Committee on the problems of petroleum and natural gas. The main conclusion reached in the debate concerned the system of competition in this field :

'A European energy policy must include certain basic rules on competition aimed at preventing any misuse of economic power on the energy market. Excessive and harmful competition must also be prevented. An absolutely liberal economic structure would be undesirable, not to say impossible, in the petroleum and natural-gas sectors, on which general interests are so dependent.'

In 1962 Parliament defined the following objectives and principles of a common energy policy :

- (a) low-priced supplies;
- (b) security of supplies;
- (c) steady substitution of one source of energy for another;
- (d) long-term stability of supplies;
- (e) unity of the common market (resolution of 20 February 1962).

These objectives were taken over almost word for word in an agreement still in force for the common energy policy—the protocol of agreement concerning energy questions signed in Luxembourg on 21 April 1964 by the Governments of the member States.

But before the adoption of this protocol Parliament had again and again felt obliged to express its dissatisfaction, and this with a great deal of firmness. Thus, in a resolution of 22 January 1964 it deplored the fact that the Council of Ministers had taken no decision in 1963 on the common energy policy, and saw in this lack of political will a grave threat to the future of the Common Market. To try to solve current difficulties by means of national measures would, in Parliament's view, make it even more difficult to bring a common policy into being.

Although in a resolution of 14 May 1964 Parliament welcomed the April protocol of agreement and the political determination it reflected to create a common energy market, it nevertheless had the following comments to make :

- (a) The Governments tended too often to confine themselves to mere declarations of intent;
- (b) So far the only concrete measure contemplated in the energy policy sector had been to legalize aid to coal production without, however, reaching agreement on the basic criteria;
- (c) The protocol by no means implied giving effect to the proposals relating to the common energy policy or to an other form of common energy policy with time-limits fixed in advance.

In 1964 Parliament saw grounds for hope in the merger of the Executives. Thus, in a resolution of 24 September 1964 before the Treaty of 8 April 1965 on the establishment of a single Commission of the European Communities had been signed, it expressed the hope :

- (a) That the new single Executive would take over the reins in the matter of energy policy;
- (b) That it would work out an overall concept of long-term energy

policy, with due regard for the guidelines laid down by the European Parliament;

- (c) That the member States, in evidence of their European spirit and as a condition of the success of any energy policy measures taken by the single Executive, would reconcile their divergent interests in this sector.

These wishes have lost none of their relevance in the context of the Community's current institutional situation and of the merger of the Treaties now to be aimed at.

In this connexion attention should be drawn to Parliament's efforts to ensure the balanced integration of nuclear power in the overall European energy sector. This matter is discussed each year during the debate on Euratom's general report. Moreover, in March 1964, Parliament devoted to it a lengthy debate culminating in a resolution in which it

'Asks the Euratom Commission to continue its policy of participation in nuclear power stations and to encourage by all means in its power the development of European-type industries and techniques for the building of such power stations;

Invites the Governments of member States to ensure that conventions concerning responsibility arising from nuclear hazards be rapidly put into effect;

Hopes that the Executives will follow up their draft plans for long-term energy policy measures so as to facilitate smooth and progressive integration of nuclear energy with all other primary sources of energy.'

All these recommendations of Parliament underline the need to endow the European institutions, at the time the Treaties are merged, with fresh means of giving effect to the energy policy, and to define, in the light of the Community's medium-term economic policy programme, the subject-matter of a common energy policy.

Transport policy

Even more than in the case of energy policy the European Parliament, which was able, in the matter of transport, to draw on the preliminary work carried out by the Common Assembly, has from the outset run up against the difficulty, even impossibility, of coordinating a transport policy confined, under the ECSC Treaty, to coal and steel.

A common market with an ordered system of competition requires the application of special provisions for the carriage of goods, failing which the discrimination inherent in ratemaking—particularly as each country has built up its own protectionist transport policy—could have effects equivalent to customs duties and thus make a genuine common market impossible. Nationally slanted transport structures are, however, so closely bound up with interests and so firmly anchored in national custom, that in spite of all the efforts made both by the Executives and by the Council of Ministers over the last ten years hardly any progress has been made. In its report of 15 November 1967 on the EEC Commission's Tenth Report, Parliament noted that almost ten years after the entry into force of the Treaties of Rome and one year before the completion of customs union, no solution had been found to the basic problems of European transport policy and no agreement was in sight on the major points in dispute.

Parliament has made it its main business to free the transport sector from its state of lethargy, to strengthen the political determination needed to arrive at a common transport policy, and to submit, on its own initiative, reports and proposals indicating various courses that could be adopted.

One of the first results in the integration of transport, and one for which every motorist must feel thankful, deserves mention. In 1960 Parliament backed and encouraged a move by the EEC Commission aimed at arranging talks with the Governments of member States with a view to improving European communications. The construction of the European road network was the result. Believing that this project should form part of an overall plan, Parliament had asked that the recommendation submitted to it should be rounded out so as to :

- (a) take account of the needs of inadequately developed areas of the Community and of places dependent on traffic routes, e.g. ports;
- (b) extend expansion projects to communications giving access to non-member countries;
- (c) harmonize methods of allocating road infrastructure costs as a major condition for solving the problem of the cost of road haulage of goods within the framework of a common transport policy.

This was the first step towards defining an overall policy.

This general concept put forward by Parliament was discussed on 20 December 1961 in the light of a detailed report drawn up on behalf of the Transport Committee by Mr. Kapteyn, member of the

Netherlands Parliament. How complicated the problems were—and remain—is shown by the fact that it was necessary to annex a separate list of transport terms to the report owing to the obstacles to a clear understanding of the problems presented by differences in language.

The main lines of the report, which was unanimously adopted by Parliament are as follows :

A common transport policy is necessary to prevent existing tariff systems, which were of course justified in the past by the need to promote balanced economic development within national frontiers, from standing in the way of the division of labour in the Community aimed at in the Treaties.

The EEC Treaty has taken the free choice of the consumer and a healthy system of competition as the basis of its economic policy. If these principles were to be entirely disregarded in the field of transport, then this would become a disruptive factor for the economy as a whole. Transport must be regarded as part—perhaps one of the most important parts—of the economy, so that the general principles under which the economy is run must also be applied to it. Transport policy must nevertheless take account of the special features of transport which call for certain measures relating to competition. Moreover, transport can be affected by the policies pursued in other fields. The Community is faced with a series of problems relating to regional policy, seaports, agriculture, social policy and defence. Obviously the policy pursued in all these fields must be based on a large number of different measures.

Where it appears necessary to introduce transport policy measures in support of such objectives, these should be resorted to only in exceptional cases. Above all, provision should be made for the reimbursement of any costs that transport undertakings incur as a result of such measures. Moreover, all support measures of this kind must not be such as to distort the conditions of competition between the various forms of transport.

As regards transport charges, competition on the goods market must be normalized by abolishing discriminatory practices and support tariffs. By abolishing or cutting down breaks in rates at frontiers and reducing charges and dues collected when these are crossed, the difference in cost as between international and domestic transport will be diminished or done away with altogether.

line as part of the common transport policy in cases where, although no discrimination exists, the economic structure of member States is becoming distorted because of the dissimilarity of the various tariff systems.

Alongside these tasks which affect in the main the goods market, a uniform system for regulating the transport market must be introduced and, first and foremost, a common co-ordination policy. Such a co-ordination policy must set out from the following principles :

- (a) free choice of form of transport by the user;
- (b) equality of treatment by the State of the various forms of transport;
- (c) minimization of total costs;
- (d) profitability of transport undertakings;
- (e) pricing on a cost basis;
- (f) prevention and suppression of ruinous competition, i.e. maintenance of healthy competition between undertakings and between the various forms of transport.

It will be necessary however to fulfil certain conditions beforehand, failing which cost-based pricing cannot lead to economically favourable results. First, transport undertakings must cover out of their earnings a fair share of the costs in which they involve the economy. Secondly, the State must not expect them to bear costs which ought to be charged to its general budget.

Within the Community there must be established a common transport market affording the maximum freedom of movement for means of transport, transport undertakings and transport workers.

For this purpose it will be necessary to introduce at Community level a system for the granting of licences for international road transport and for transport within a country of which the operator is not a resident (cabotage). In other words, the issue of licences must be decided on or supervised by the institutions of the Community.

As regards inland waterway transport, the Mannheim Act must be reviewed in such a way as to ensure that it measures up to the requirements of a modern transport policy and that the principles outlined above can also be applied to inland navigation. In particular, the waterways should bear their own infrastructure costs and be put on the same tax footing as other modes of transport. In addition, the Mannheim Act should be extended to all European rivers and canals so as to leave only one system of legislation for inland waterways in Europe and no restrictions on international traffic and cabotage rights. Capacity restrictions should also be introduced on the

inland waterways so as to avoid any tendency towards ruinous competition.

The bodies responsible for the integration of the European economy—the EEC Commission and the Council of Ministers—did not, however, take over this overall concept of Parliament which has lost none of its value from the point of view of organizing the market.

It is true that in 1962 the EEC Commission listed in its Community action programme covering the objectives to be attained during the second stage of the transitional period (1963-1965) a number of limited objectives and time-limits. It was unable to adhere to these, however, owing to the inability of the Council of Ministers to resolve the basic problems of transport policy.

Instead, attention was focused on minor problems such as that of drawing up directives on the harmonization of rules concerning trafficators, braking devices for certain classes of motor vehicle, duty-free imports of fuel in the tanks of commercial vehicles, and the like.

In 1966 a first glimmer of hope appeared on the horizon. On 10 May 1963 the EEC Commission, in accordance with its action programme, had submitted a number of proposals to the Council. Although devoid of anything like the scope of those contained in the Kapteyn report, these nevertheless defined certain key elements of a general transport policy, a ratemaking policy and a policy on access to the market for international road hauliers. It soon became apparent, however, that agreement on these proposals could not be reached in the Council of Ministers. The Commission amended its proposals, negotiations were conducted both within and outside the Community institutions, and finally on 22 June 1965 it was announced, at the end of a Council session, that the latter had reached agreement on the organization of the transport market. The Council had defined a 'system' based on a common organization of the market for the carriage of goods and on the progressive harmonization of conditions governing the national markets. Moreover it had instructed the Committee of Permanent Representatives to proceed, jointly with the Commission and with due regard for the views of Parliament and of the Economic and Social Committee, with the examination of the Commission's proposals and any amendments the latter might feel it necessary to make, with a view to finalizing the details of the system and submitting to the Council, at one of its next meetings, a draft text of a regulation.

idea—highly questionable from the point of view of the Treaty—of calling in the Committee of Permanent Representatives, that body, which represented only the member States as such, was already finding it impossible to pursue its activities. Indeed, the week following this decision of the Council the Community was facing the major crisis which was to paralyse the Committee of Permanent Representatives and the Council of Ministers until the end of January 1966. In the meantime the Commission had, of course, adapted its proposals on transport rates to the 'system' advocated by the Council, but no definite agreement was reached. Finally, in October 1966, the Council gave up trying to settle ratemaking problems by itself and invited the Commission to submit proposals as to the measures to be taken on capacities in road transport and access to the haulage trade.

The Commission performed this task and presented to the Council on 10 February 1967 a new memorandum on the common transport policy. This was followed on 15 June 1967 by a proposal for a regulation concerning the introduction of common rules on access to the occupation of road haulier and the regulation of capacity in national goods transport by road. In its comments on the Tenth Annual Report of the EEC Parliament observed that in the field of transport policy the Community was once again at the stage of action programmes and memoranda.

It should be noted that its Transport Committee did not confine itself to bringing up the overall concept put forward in the Kapteyn report for discussion, but also took the initiative of preparing a report on the integration of civil aviation, discussed by it in May 1965, and a report on the common port policy which it studied in November 1967.

Competition policy

The abolition of customs duties between Community countries would have made no sense had the authors of the EEC Treaty not also laid down as an objective the establishment of a system that would ensure that the terms of competition were not distorted in the Common Market. Otherwise the distortions already in existence, or those artificially restored, would have made any form of common market impossible. This is why the framing of a European competition policy and of common rules on competition was one of the earliest concerns of the Community institutions. To be effective the

common rules of competition, designed to prevent the play of competition from becoming distorted, must penetrate deep into the fabric of the European economy at all levels. Attention will be confined to three points on which Parliament has concentrated since it was first set up, i.e. competition policy in the strict sense of the word—that is, policy on agreements and concentrations—and in the wider sense of harmonization of taxes and of company law.

The Common Assembly had passed down to Parliament some experience in the matter of agreements and concentrations. Articles 65 and 66 of the ECSC Treaty gave the High Authority the widest powers in this respect for the coal and steel sectors. On the basis of strictly defined criteria, these Articles ban any agreement which could lead to a dominant position on the market, and make all concentrations of undertakings subject to the High Authority's approval with a view to preventing any undertaking from dominating the market. All the High Authority had to do was to apply these provisions. Parliament exercised its supervisory rôle by keeping a careful watch on the High Authority's activities in this field. During its discussions on the High Authority's general report lively debates took place on the optimum size of undertakings and as to whether it was expedient to pursue too strict an anti-cartel policy in the coal sector at a time when the collieries were facing stiffer and stiffer competition from big international oil companies not covered by the drastic provisions of the ECSC Treaty. At this point mention should be made of the discussions, which dragged on for years, on the creation of a single selling agency for Ruhr coal.

Unlike the provisions of the ECSC Treaty, which are very strict on agreements and concentrations and leave the High Authority little room for decisions, those of Articles 85 and 86 of the EEC Treaty are intended to be 'outline' provisions under which implementing texts are drawn up in the form of regulations of the Council of Ministers, issued on the Commission's proposal after consulting Parliament.

Parliament expressed its views on the fundamentals of this question in an important resolution of October 1961.

The general principles by which the bulk of Parliament's members are still guided today in supervising the preparation of laws on competition can be summed up as follows :

Regardless of all academic dispute, rules of procedure must be drawn up to ensure that undesirable restrictions of competition are clearly recognized and prevented. As to any restrictions that

may be necessary, a decision must be made, free from useless complications, to authorize them and, as required, to ensure effective supervision.

Parliament's views on the Commission's first proposal for a regulation display some reserve as regards unduly detailed arrangements. The resolution underlines the following points :

- (a) The problem of competition must be seen as a whole and calls for a co-ordinated policy uniformly applied;
- (b) This is why a regulation in pursuance of Article 85 cannot be prepared without at the same time settling the problem of undertakings with a dominant position on the market (Article 86) and of public undertakings (Article 90);
- (c) Because of the marked dissimilarity of legal and economy concepts in the member States, a joint solution alone can facilitate the development of a body of European law on competition;
- (d) It is therefore essential to define the powers of the Community institutions and of the authorities of the member States;
- (e) Effective supervision should be accompanied by the utmost simplification of the supervisory machinery and with flexible and realistic administrative procedure;
- (f) The implementing regulation should ensure the legal security essential to the undertakings concerned; measures regarding publicity should be amplified with due regard for trade secrecy;
- (g) The distinctive features of certain branches of the economy and the special provisions applicable to them in the member States justify special regulations; the EEC Commission is invited to submit a regulation to this effect within one year.

In Regulation No. 17 on special agreements the Council of Ministers largely took account of the amendments that Parliament had proposed to the Commission's text.

For close on ten years the Commission has seen to it, by means of other proposals for regulations and by decisions taken in carefully selected cases, that the Treaty provisions on competition are put into practice. Parliament has pointed out, however, in a report published on 31 May 1967, that a complete code of European competition still does not exist. Not that such a code can ever be absolutely final, for production and market conditions undergo constant change and require a continuous adjustment of economic ideas, objectives and methods.

Wishing to hold a debate in the near future on the more pressing

economic problems, members of the Economic Affairs Committee contributed a number of observations to the report referred to above :

‘Although harmful restrictions on competition must obviously be fought against, it would be pointless to oppose any reduction in the number of competitors on the ground that it would encroach on absolute individual competition. Economically sound co-operation and concentration of undertakings ought not to be resisted. Progressive integration in the Community and growing competition between its undertakings and those of non-member countries call for a reappraisal of the common competition policy. It is not so much a matter of securing a maximum number of suppliers as of organizing competition as efficiently as possible. Finally, it should be noted that markets on which perfect competition prevails can nevertheless be highly inefficient and necessitate government intervention.’

These observations once again highlight the dominant tendency in Parliament to pronounce itself pragmatically in favour of a competition policy aimed at making the European Community competitive on world markets.

If conditions of fair competition are to be created in the Community, indirect taxes must be harmonized without delay. The impact of these taxes on production costs varies widely according to the country and the tax system in force. In international trade they are partially refunded in the country of origin and again imposed in the importing country in the light of purely national considerations. Owing to the dissimilarity of tax systems in the member States, the customs officials responsible for checking documents accompanying goods and collecting duties will not disappear from the scene once customs union is established on 1 July 1968. They will continue to man the still existing tax frontiers and therefore prevent goods from circulating absolutely freely as in the internal market. To abolish these tax frontiers it will therefore be necessary to harmonize all taxes affecting production costs.

As long ago as January 1959 Parliament had underlined this need. A first general debate on this problem was held in October 1963 on the basis of an Opinion requested by the Council on a proposal for a first directive on the harmonization of member States’ legislation governing turnover taxes. The EEC Commission’s proposal was somewhat complicated. It provided for a shift from the cascade tax system applied in five member States to all stages of the

processing of a product to the added-value system practised in France—one which experts agree to be at once clearer and more neutral from the point of view of competition. The Commission, however, wanted to interpose a compulsory interim stage during which member States would be free to choose between the added-value system and a 'single tax system.'

Parliament, which wished to remain severely practical, rejected this proposal in its resolution of 17 October 1963. It called for an immediate switch to the added-value tax, even if rates and exemptions could not be harmonized immediately. The idea was at all costs to spare the economy a second change of tax system. The Council endorsed this attitude in issuing on 9 February 1967 the first two directives on the harmonization of member States' laws on turnover tax. The added-value tax system will be introduced in five Community countries, the rates to be applied being left, for the time being, to the national authorities. The Federal Republic of Germany was the first to comply with the provisions of the first directive and to adopt the added-value tax system as from 1 January 1968. An important step forward has thus been made but the final goal is still a long way off.

Back in 1963 Parliament had drawn attention to this ultimate goal—the complete abolition of tax frontiers, that is, imposition in the country where the added-value system is in force, doing away with the collection of any form of taxes and refunds at frontiers for which there will then be no further need. It was made quite clear that it was not enough to harmonize turnover taxes; indirect taxes—excise duties, taxes on consumption, etc.—would also have to be harmonized in order to create conditions of competition similar to those prevailing on the internal market. Parliament's report on the EEC Commission's tenth annual report shows the difficulty of these problems and how much political insight and energy is needed for their solution :

'It must be clearly grasped that tax harmonization as a whole in the next few years will call for policy decisions which will exert a crucial influence on the progress made towards conditions similar to those prevailing on an internal market. In the process the States will inevitably have to surrender a great deal of the say they at present enjoy in the matter of taxation. The magnitude of the task can be gauged from the fact that about 52 per cent of the total tax revenue of member States are accounted for by indi-

rect taxes. Tax rates, however, differ widely among the member States, as do the proportions of tax revenue derived from direct and indirect taxes. In harmonizing taxes the Community should aim not at perfect uniformity but only at what is strictly necessary. But even if the Common Market's fiscal policy is kept to a bare minimum, substantial encroachments on the tax revenues of the States will be inevitable.'

It is for the European Parliament to provide the impulses needed for the establishment of a strong political Community which alone can bring these reforms about.

Another major problem for a European system of competition is that of the necessary concentration of undertakings at Community level and of the legal bases on which it can be carried out. Recently this need has been brought more and more to the fore by the frequency with which European undertakings have been exposed to mounting competition from big American companies, both in the Community and in international markets. It is becoming realized that Community undertakings must increase in size so as to adjust themselves to the expanding European market which is arising, to the greatly changed conditions of the world market and to new techniques and the requirements of modern research. It is above all through mergers and concentrations that these undertakings can attain a European scale.

At the moment the situation in the Community is the following. While undertakings in any one member State may merge together under the existing national laws, mergers between undertakings of different member States and transfers of registered offices from one country to another have so far been ruled out by virtue of company or tax laws. For the same reasons other forms of concentration, such as the creation of joint subsidiaries, are difficult or unprofitable.

In March 1965 the French Government therefore proposed the conclusion of a convention between the member States for the adoption of a uniform law relating to a 'European company.' In April 1966 the EEC Commission submitted to the Council a memorandum which went even further than the French proposal. The problems raised therein have since been studied by experts, and their solution calls for political drive and effort.

In its resolution on the EEC's tenth general report the European Parliament invited the Council and the Commission to abolish, speedily and without distinction, all tax and technical obstacles to the

concentration of European undertakings across the frontiers, and to promote the creation of a European-type company.

It seems likely that a decisive factor in the next few years both for the competitiveness of the Community on the international market and for the soundness of competition in the Community itself, will be the establishment of European undertakings which will gear their operations to the guidelines of the medium-term economic policy, derive support from a European anti-cyclical policy and sound monetary and financial policies, and base their investments on a European capital market. These are the general objectives which stem from the results achieved to date and which are essential if the dynamic and balanced economic development of a Community that wants to play an active rôle in the world economy and on the international political scene is to continue. Parliament must not cease to apply the political stimulus needed for these developments. In its ten years of existence it has made a decisive contribution to the solution of these problems and has shown its determination to pursue its efforts with a view to achieving economic union.

Hans Furler,
President of the European Parliament
from March 1960 to March 1962



Robert Schuman †,
President of the European Parliament
from March 1958 to March 1960
and Honorary President to
September 1963



Gaetano Martino †,
President of the European Parliament
from March 1962 to March 1964

IV

Building up European agriculture

The Treaty of Rome assigns the Community institutions a clearly defined task: 'to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relations between its member States.' With this end in view, the Community concerns itself in particular with the shaping of a common agricultural policy aimed at:

- (a) increasing productivity;
- (b) ensuring a fair standard of living for the agricultural community;
- (c) stabilizing markets;
- (d) guaranteeing supplies;
- (e) ensuring the delivery of supplies to consumers at reasonable prices.

As further provided by the Treaty, these measures also entail promoting technical progress and ensuring the rational development of agricultural production and the optimum utilization of all factors of production, in particular labour, increasing productivity and increasing the individual earnings of persons engaged in agriculture.

The shaping of the common agricultural policy has had a profound influence on the integration of the Community as a whole. Over the last ten years all the progress made towards integration—economic, social and even political—has largely depended on the advances made in the common agricultural policy. It was, for example, a dispute over a text on the financing of the common agricultural policy that sparked off the 1965 crisis in the Common Market. It should be borne

in mind that agriculture continues to occupy an important place in the member States, despite the steady decline in the numbers of the rural population and the obstacles to harmonization presented by the different methods of organizing agricultural markets among the Six.

The combination and harmonization of the six agricultural systems ran up against the complex and highly individual character of the agricultural policies of the different States. A further difficulty was encountered in the attempt to align prices : approximating them downwards could have had serious social consequences, while approximating them upwards could not only have led to a glut of certain products but could have affected the general level of prices. Lastly, account had to be taken of the need of most farms to adjust to the new economic conditions created by the common agricultural policy.

Parliament clearly recognized these problems and how important it was to implement the common agricultural policy for the future both of the Common Market and of farmers in the six countries. It therefore stepped in at every stage of its elaboration.

It devoted its attention in turn to the results of the Stresa conference, and to the first draft and then to the final proposals of the Commission on framing and giving effect to the common agricultural policy. Parliament then expressed its views on all proposals for regulations governing markets in the main agricultural products and on the various texts dealing with the operation of the European agricultural policy. Parliament's work can thus be broken down into three phases :

- (a) the planning phase, in which it formulated its own principles for a European agricultural policy and asked the Commission and the Council to take these into consideration;
- (b) the second phase, in which it expressed its views on regulations governing the agricultural markets;
- (c) the third phase, in which it directed its attention—as it continues to do—to the application of these regulations, the main problem being that of fixing agricultural prices.

The underlying principles of the common agricultural policy

The Treaty of Rome lays down that 'in order to define the broad lines of a common agricultural policy, the Commission shall convene a conference of member States which shall compare their

agricultural policies.' Taking account of the work of this conference, the Commission had then to submit, before December 1959, 'proposals for working out the common agricultural policy and putting it into effect.' Lastly, the Council had subsequently to adopt regulations or directives or take decisions. It was only in this final stage, according to the Treaty, that Parliament had to be consulted.

Parliament dealt with the European agricultural policy first through its Agricultural Committee in March 1958, and then at a plenary session held in the following October. The Agricultural Committee, in its first report to Parliament, stated that there was no need to wait for the EEC Commission to lay down its agricultural policy before taking up a position. It therefore decided to express its views immediately as to the form the Community's agricultural policy should take, and induced Parliament to act as a spur to the Commission's activities and to indicate the broad policy lines it considered the most appropriate.

At the first agricultural debate held in October 1958 Parliament returned a favourable verdict on the outcome of the Stresa agricultural conference. At the same time it stressed that much more should be done to disseminate information among all concerned so as to win their support. On this point one of the first chairmen of the Agricultural Committee stated in April 1959:

'Parliament, which represents the peoples of the Six, forms the vital link between them and the institutions of our Communities. It falls to it to keep the EEC Commission abreast of public opinion and to inform the general public of these institutions' activities and of the expected results... The Community's difficult task in the agricultural sector lies not only in establishing a dynamic balance of the economy as a whole but also in tying this in with balanced conditions in the demographic, geographical and socio-logical sectors.'

The EEC Commission itself recognized the extreme importance of the rôle to be played by Parliament, whose debates were not only useful in themselves but essential for the shaping of the future agricultural policy.

After discussing several reports by its Agricultural Committee at its first three sessions in 1959, Parliament expressed its views in a resolution which, as a constructive contribution to the framing of the common agricultural policy, gave the gist of the previous reports and searching debates on the subject :

'The European Parliament,

Favours a common agricultural policy which, from the outset, takes into account the need to offset as far as possible, through appropriate economic and structural measures, the production and selling difficulties inherent in agriculture which place it at a disadvantage as compared with other branches of the economy, so as to enable farm workers to make the maximum contribution to the general prosperity of the Community and to obtain their fair share of the resulting improvement in living standards;

Is convinced that such an agricultural policy is in keeping with the spirit and with the provisions of the Treaty of Rome as well as with the resolution passed by the six Governments at the Stresa agricultural conference;

Considers that the operating units characteristic of the Community's agricultural structure, among which the family-run farm is the most typical, would be capable of making the maximum contribution to general prosperity if farming methods, equipment and forms of organization were brought into line with scientific and technical progress.'

Parliament, acting through its Agricultural Committee which met almost every week, continued to keep close track of the preparation of the EEC Commission's proposals on the common agricultural policy. Mr. Mansholt, as Vice-President of the EEC Commission, frequently attended the meetings of the committee. As a result the Commission was able to take account, in its first proposals, of the comments and recommendations made in Parliament's reports, debates and resolutions.

As the Treaty did not provide for it to be consulted on the Commission's first proposals, Parliament invited the Commission to send it these proposals of its own accord in order to enable it to exercise its supervisory function and acquaint ministers, through the peoples' representatives, with the views of the agricultural communities of the Six.

The main criticism levelled by Parliament at the Commission's proposals was that they gave no clear indication of the broad policy lines the Commission intended to follow. The draft proposals left the door open for official controls and a liberal policy alike, for a high or low price level, for a small or a wide measure of Community preference.

nism: one side advocated the system proposed by the European Commission, with guide price, support price and sluice gate price; the other called for a maximum and a minimum price and for a guide price between the two. Before taking up its final position, Parliament waited for the 'proposals for framing and giving effect to the common agricultural policy' which departed somewhat from the original draft and embodied several suggestions made by Parliament. In October 1960 Parliament set out its detailed views on the Commission's proposals as a whole and laid down the principles that should guide the Council of Ministers in the matter of the common agricultural policy.

Two schools of thought emerged in the course of a lengthy debate:

- (i) The first reflected the views of farmers in countries mainly concerned with finding outlets for their products so as to improve farmers' economic and social conditions. The demand was for a high level of European preference and Community support for agriculture;
- (ii) Others favoured a liberal trade policy to maintain and even to increase trade with non-member countries. The idea was to take into account the wishes of farmers in countries which are traditionally exporters of industrial goods and large importers of farm products as well as those in which the agricultural processing industry purchases its supplies at world market prices.

It was also necessary to try to reconcile two frequently conflicting requirements of any agricultural policy:

- (a) guaranteeing a fair standard of living for farmers;
- (b) ensuring reasonable prices to the consumer.

In October 1960 Parliament passed a resolution—by 40 to 30 votes, with 4 abstentions—laying down the following principles for the framing of the common agricultural policy:

- (a) Agriculture must be enabled to remedy its competitive weaknesses and to increase its productivity;
- (b) Imports should not be granted a priority they do not merit;
- (c) The revenue of farms must cover their expenditure;
- (d) Family-run farms and larger enterprises employing labourers should be regarded as normal features of the structure of European agriculture;
- (e) The European Fund must have sufficient funds to devote to the improvement of agricultural structures. The measures taken

for this purpose by member States must be co-ordinated and speeded up;

- (f) Agricultural markets must be stabilized;
- (g) The needs of the public must be met at reasonable prices;
- (h) The activities of farmers and farmworkers must be suitably rewarded;
- (i) The import system under which licences are issued should be worked out in the light of an annual review;
- (j) Adequate account must be taken of the agricultural production and sales opportunities of the Overseas States and Territories;
- (k) Two-way preference on the Community's agricultural markets should be established by harmonizing competitive conditions and eliminating cost distortions;
- (l) A common market organization must be set up after a transitional phase for the co-ordination of national market systems;
- (m) Each guide price must, on average, be adhered to;
- (n) The system of variable levies at the common frontier must be such as to raise the level of internal prices above the current level of agricultural prices on world markets;
- (o) Attention must be paid to the importance of price relationships between individual products;
- (p) While the curtailment of the transitional period is approved, its entry into force must be closely linked to the results achieved in sectors closely connected with agriculture;
- (g) The amounts of levies within the Community must correspond with the price difference at the frontier;
- (r) Approximation of prices with a view to establishing a common price level must, except in the case of feed grain, be geared progressively, and in the light of the flow of trade from productive to consumer areas, to the price level of that country which, in the Community, consumes the largest volume of agricultural products;
- (s) A common commercial policy must be put into effect accompanied by a more active commercial policy towards non-member countries;
- (t) The rural community must be enabled to bring up its social standards to those enjoyed by other sections of the population;
- (u) A conference of employers' and workers' organizations should be called as soon as possible to formulate proposals on social policy;
- (v) A consultative committee on social affairs in agriculture ought to be set up.

Parliament set out from the above principles in preparing its Opinion on the special measures necessary to organize markets for each of the main agricultural products.

This completed the preparatory work of laying the foundations for the future organization of agriculture in Europe. The hard work put in by the Agricultural Committee from 1958 to 1960 and the lengthy debates held in Parliament—as many as 40 members took the floor in one agricultural debate—showed how much importance European parliamentarians attached to this first phase and how anxious they were to see agriculture occupying its rightful place in the overall European economy.

There is no doubt that it was during this period that Parliament exercised the greatest influence on the development of the common agricultural policy. The Commission acknowledged the fact that the discussions held both on the Agricultural Committee and in plenary session had been of great value to it and of considerable help in elaborating its various proposals.

Parliament and the organization of the agricultural markets

On the basis of the principles set forth in its basic proposals, the Commission prepared a series of proposals for regulations each covering the complete organization of the market in one of the main agricultural products. Pursuant to the Treaty, Parliament was consulted by the Council of Ministers on the proposals for regulations concerning a system of levies and the phased establishment of a market organization for the following agricultural products :

cereals; beef, veal and pigmeat; eggs and poultry; fruit and vegetables; wine; rice; fats and oils; and sugar.

These market organizations replaced the national protection measures by an arrangement characterized by the following features which varied somewhat from product to product :

- (a) A system of basic guide prices laid down by the Council of Ministers;
- (b) Market interventions or similar measures to secure these prices;
- (c) A system of levies at the external frontier to bring world market prices, usually lower, up to the level of internal prices. This system was supplemented by internal levies reflecting Community preference;

- (d) Refunds on exports to countries outside the Community;
- (e) Joint financial responsibility for the cost of intervention on the internal market and for refunds on exports. This is handled by the European Agricultural Guidance and Guarantee Fund (EAGGF);
- (f) Management committees for the main products consisting of representatives of the member States and presided over by the Commission.

In the course of the many debates devoted to these texts Parliament again and again underlined its main wishes :

- (a) Widening of the powers of decision of the Commission of the Communities;
- (b) Strengthening of the preferential character of the Common Market;
- (c) Granting of extensive guarantees to producers, especially in the case of processed products.

Two schools of thought, which were to cross swords again and again over agricultural texts and especially over the fixing of common prices, were found to exist in Parliament. Some members called for a protected agriculture and for full-blooded European preference and remunerative prices that would enable farmers to catch up with those engaged in other industries. Others wanted an outward-looking Community so as to maintain and then expand the volume of trade. Lastly, a third group argued the case for low agricultural prices with an eye on the standard of living of the consumer and of the cost of disposing of surpluses.

It should be noted that Parliament has always insisted on the need for the common agricultural policy to take account both of the interests of agriculture and of the requirements of commercial policy. This is why Parliament maintained that a reference to the aims sketched out in Articles 39 and 110 of the EEC Treaty should be included in the market organization regulations. Article 39 sets out the objectives of the common agricultural policy and Article 110 lays down that commercial policy must 'aim at contributing, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on world trade and the lowering of customs barriers.' The aims laid down in these two Articles are sometimes difficult to reconcile, especially since industrial products account for 80 per cent of the exports of the Community, which is moreover, after the United Kingdom, the largest importer of agri-

cultural products. This partly explains why it is so difficult to reach agreement in Parliament on agricultural texts.

After the first of the now famous agricultural 'marathons' the Council issued the first regulations organizing markets for the main agricultural products and set up the EAGGF.

Parliament kept a close watch on the work of the Council of Ministers and the course this followed. The Agricultural Committee first issued a statement in which it stressed that

'any decision which could be regarded as a setback for the Community idea, or as a threat to its survival, is unacceptable as regards both the content of the regulations and the way they are issued or given effect to.'

In December 1961 concern was felt in Parliament about certain trends in the Council of Ministers. A resolution of 20 December 1961 states that Parliament

- (a) Firmly rejects any arrangement that would rob the Commission of the powers it holds in conformity with the spirit of the Treaty;
- (b) Requests the Council to take no decision to set up new bodies without first consulting Parliament.

The organization of the main agricultural markets having been completed, it became necessary to deal with the question of price policy and of the financing of the European agricultural policy.

When Parliament was consulted by the Council on a Commission proposal for a regulation concerning the first approximation of national cereal prices, it voiced the concern these proposals aroused in the agricultural community which feared they would reduce the earnings of certain groups of farmers. Parliament therefore asked the Commission to set up a Community-based system of compensation within a regional framework.

In connexion with the fixing of a common price level for the main agricultural products, Parliament stressed that before it could take up a position on the new market organizations it would have to know what lines the Council intended to follow in the matter of agricultural prices and also when a Community price would be introduced in this or that sector. So as to enable it to pronounce with a full knowledge of facts Parliament also suggested the publication of an annual report on the position of agriculture in relation to industry as a whole, and on the economic and social conditions of the rural community.

In May 1966 Parliament, consulted on the EEC Commission 81

proposals on the establishment of a common price level for the main agricultural products covered by a market organization, made known its views on the subject :

'Parliament notes that in each member State producers' incomes are for the most part determined by the prices they receive for their produce on the market;

Acknowledges that an improvement in farmers' incomes must be obtained, to a great extent, by improvements in productivity and marketing and by the development of the processing industries; Stresses that the increase in the prices of farm products is not the main cause of the increase in food prices;

Considers it necessary, in view of the present comparatively low level of farm incomes and the increase in production costs, to amend the EEC Commission's proposals so as to raise the price average, taking into account the need for using the ratio between the prices of the various agricultural products as a factor in planning production;

Considers that if circumstances make it inevitable that certain producers' prices should fall substantially, compensatory measures ... must be adopted, with due regard to the regional differences in the Community;

Urgently requests that measures will not be taken at national level which result in cancelling out all or part of the price increases conceded at Community level, and in destroying the line of agricultural policy that has been decided in common;

Points out that, in order to ensure that general economic and social equilibrium in the Community is not upset, the fixing of a common price level makes it necessary to implement the common policy more rapidly in many fields, notably competition policy and commercial, structural and social policy;

Emphasizes strongly that implementation of the common agricultural policy will remove agricultural policy from the jurisdiction of the national Parliaments, which will therefore no longer be able to watch over the incomes of those employed in agriculture, and notes that the present powers of the European Parliament do not enable it to take over from the national Parliaments in this respect; Considers, therefore, that this gap in the institutional structure of the Community makes it essential for the powers of the European Parliament to be increased.'

markets were supplemented by the creation of a European Agricultural Guidance and Guarantee Fund (EAGGF). This comprises a 'Guidance' Section and a 'Guarantee' Section which follow different systems governing receipts and expenditure. The Fund has a crucial part to play in the integration of European agriculture because it reflects the financial solidarity of the Six as regards the common agricultural policy.

Among the countries in which farming occupies an important place, France showed particular interest in the EAGGF which, to begin with, helped to finance the marketing of the surpluses of over-producing countries from the savings realized by countries that imported food at low prices from non-member countries. Germany, on the other hand, the world's second largest importer of farm produce, was not nearly so keen about the Fund—an attitude largely shared by the Netherlands, a large importer of, for example, cereals for the manufacture of processed products.

Today the EAGGF's funds are derived on the one hand from member States' contributions based on a fixed or sliding scale, and on the other from its own receipts from levies, customs duties, taxes, etc. As for expenditure, this is broken down as follows :

- (a) the 'Guarantee' Section finances the cost of refunds on exports to non-member countries and of interventions on the internal market;
- (b) the 'Guidance' Section finances the improvement and guidance of production and marketing and the opening up of fresh outlets for agricultural products.

The importance of this Fund explains why in several debates Parliament took such interest in the proposals for regulations submitted to it on the establishment and operation of the EAGGF. In one of its first resolutions passed in October 1963 and dealing mainly with the EAGGF, Parliament, states that it

'Welcomes the fact that measures governing market policy and policy on structures—whether production or market structures—which must be co-ordinated within the context of a regional economic development policy are being considered and harmonized in one and the same Fund;

Insists that the final adoption of the measures giving effect to the EAGGF must go hand in hand with the introduction of real parliamentary control at European level.'

In January 1964 Parliament, mainly concerned with introducing 83

democratic control over the whole European agricultural policy, and particularly over its financing, stated that it did not feel that measures for the financing of the common agricultural policy could be put through unless it was given budgetary powers similar to those given up in this sphere by the national Parliaments.

This was why in 1965 Parliament welcomed and approved the EEC Commission's proposals relating to the common agricultural policy, independent revenue for the Community and the strengthening of Parliament's powers. In a resolution of May 1965 Parliament upheld the principles laid down by the EEC Commission with a view to :

'Ensuring the solidarity of member States as regards unrestricted common financing of agricultural products;

Endowing the EEC, as from 1 July 1967, with sources of independent revenue in the form not only of agricultural levies but also of customs duties of the common external tariff;

Gradually replacing contributions from the member States to the Community budget by resources available to the Community itself;

Earmarking any surpluses for Community investment, with due regard for the economic and social situation in the various regions and for the need to ensure a fair distribution of the benefits and liabilities attaching to the Community.'

Parliament approved the proposals submitted to it but pointed out that

'it must be able to control and, as appropriate, approve or censure decisions on agricultural policy, particularly those concerning price levels, commercial policy, structural improvement programmes and social policy, particularly since, with the introduction of the common agricultural policy and the new responsibilities it entails, the national Parliaments will be completely deprived of their powers in this respect.'

These proposals, which were rejected by the Council of Ministers, were at the root of the crisis which was brought to an end by the Luxembourg Agreements of January 1966.

The Council of Ministers subsequently agreed on the free movement of agricultural and industrial products as from 1 July 1968, and on the way the EAGGF should operate until the end of the transitional period (maintained at 1 January 1970), so that the Community would assume full financial responsibility for its agricultural policy as from 1 July 1967.

In addition to problems of farm prices and Community financing, Parliament studied many proposals for regulations covering a whole series of agricultural issues. Thus Parliament discussed the co-ordination of agricultural structure policies, asking that market and price policy be co-ordinated with structural policy which should form part of general regional policy and be in line with the Community's social policy. As regards structural policy, Parliament advocated maintaining the family-run farm which it regarded, on social, economic and political grounds, as an essential feature of European agriculture.

Mention should also be made of the organization of world markets in agricultural products which Parliament discussed during the Kennedy Round. Parliament stressed the need to stabilize and regularize world agricultural markets through international agreements based on comparable rights and obligations. Such international agreements would achieve their purpose through the voluntary acceptance by the world's main traders in agricultural products of a measure of self-discipline.

Unfortunately no agreement on these points was reached at the negotiations in Geneva. In a resolution of June 1967 Parliament states that it

'Regrets that the negotiations in the agricultural sector have not led to world agreements on certain major products, or even to the adoption of principles and procedures that might have facilitated the subsequent conclusion of such agreements, with a view to reorganizing and stabilizing world agricultural markets; Trusts that negotiations on the conclusion of world agreements will be resumed as soon as possible.'

Parliament also made a case for European food aid for the developing countries.

Application of the common agricultural policy

With the implementation of regulations on market organizations, the financing of the common agricultural policy and the fixing of European agricultural prices, the common agricultural market entered on its final phase. Although products will not circulate freely throughout the Community until 1 July 1968, the decisions on the prices of products and on the European Agricultural Guidance and Guarantee Fund have already been taken at Community level and are directly applicable in member States.

While Parliament had been consulted on several occasions about some farm prices, it was not until July 1967 that, for the first time, it expressed its views on the fixing or review of the whole range of agricultural prices covered by market organizations. It was stressed at the time that any discussion of the level of agricultural prices must specify the place to be occupied by agriculture in the economy as a whole. Opinion in Parliament was sharply divided. Some felt that price increases were justified because of higher production costs and the need to bring farm incomes up to the level of those of comparable occupations. Allowance must also be made for the fact that price was the main component of farm incomes.

Others felt that too steep a price increase would not be in the general interest because of the effect of agricultural prices at the production stage on the general price level. Some members opposed any increase in price. Exports of agricultural products which had to be subsidized by the Community ought to be borne in mind. It would therefore be better to gear production more closely to useful commodities and to lower the prices of products of which there was a surplus.

In its proposals on the fixing and review of agricultural prices for the 1968/69 season, the Commission took into account several questions that had been raised by the European Parliament :

- (a) the position of farm incomes;
- (b) production policy;
- (c) reasonable prices to the consumer;
- (d) the Community's share of world trade;
- (e) the cost of financing the common agricultural policy;
- (f) the general economic situation of the Community.

In the light of all these factors the Commission proposed increases in common prices fixed in 1964 and 1966 for all agricultural products, except for wheat and pigmeat, varying from around 5 per cent (barley, beef and veal) to 9 per cent (maize).

Parliament, on the other hand, advocated prices some 5 per cent higher than those proposed by the Commission. It argued that production costs and wages had risen more steeply than productivity, so that the gap between farm incomes and those in comparable occupations had not narrowed. The consequences had made themselves felt more particularly in structurally backward areas of the Community. In the end, the Council fixed prices at levels below those proposed by the European Commission.

As regards Community financing of the European agricultural policy, Parliament approved, in their entirety, the Commission's 'action principles' concerning the operation of the EAGGF. In a report submitted to the Parliament in November 1966, however, the Committee for Finance and Budgets pointed out in connexion with EAGGF credits which had already topped 500 million units of account per annum (1 unit of account = \$1), that these sums were not subject to real and satisfactory democratic control. That sums of this size and of such political importance should escape earnest scrutiny both at the budgetary and at the allocation stage is quite indefensible.

Parliament cannot be expected to go on applying a system which boils down in the end to asking it merely to take note of expenditure after it has been incurred. Parliament therefore urged the European Commission and the Council to make arrangements to ensure that expenditure, already considerable and likely to go on growing, was adequately supervised.

In addition to questions of prices and financing, Parliament continues, as in the past, to examine at every session a host of proposals for regulations supplementing or amending various common regulations already in force, so as to adjust them to the new requirements that have arisen in the agricultural sector since the integration process began. Each year, moreover, in discussing the general report on the Community's activities submitted by the Commission, Parliament exercises its supervisory powers by returning an Opinion on the agricultural policy of the Community. Parliament will not, however, be able to take up a definite position on the Community's agricultural policy as a whole until it is presented, as it has repeatedly asked, with a yearly general report covering the situation of European agriculture and the application of the common agricultural policy.

It has taken the Common Market institutions ten years—not to mention close on one thousand regulations and other documents—to bring the agricultural policies of the Six into line. And yet, although the free movement of about 95 per cent of agricultural products has been practically achieved, other aspects of economic policy directly related to agriculture still have to be worked out; namely, social, structural, regional, fiscal, commercial and research policies. The European Parliament is mindful of these problems and has ceaselessly called for closer co-ordination in the integration process.

In seeking solutions for what is 'the world's most ticklish and oldest problem,' the European Parliament has tried to meet the needs

of European farmers who have pinned great hopes on the common agricultural policy. Over the past ten years Parliament has made a major contribution—through its formative activities, its Opinions on all the major proposals of the European Commission, and the constant watch it has kept on the implementation of the European agricultural policy by the Council and Commission—to the bringing into being of the common agricultural policy, the driving force behind the badly needed regeneration of national agricultural systems.



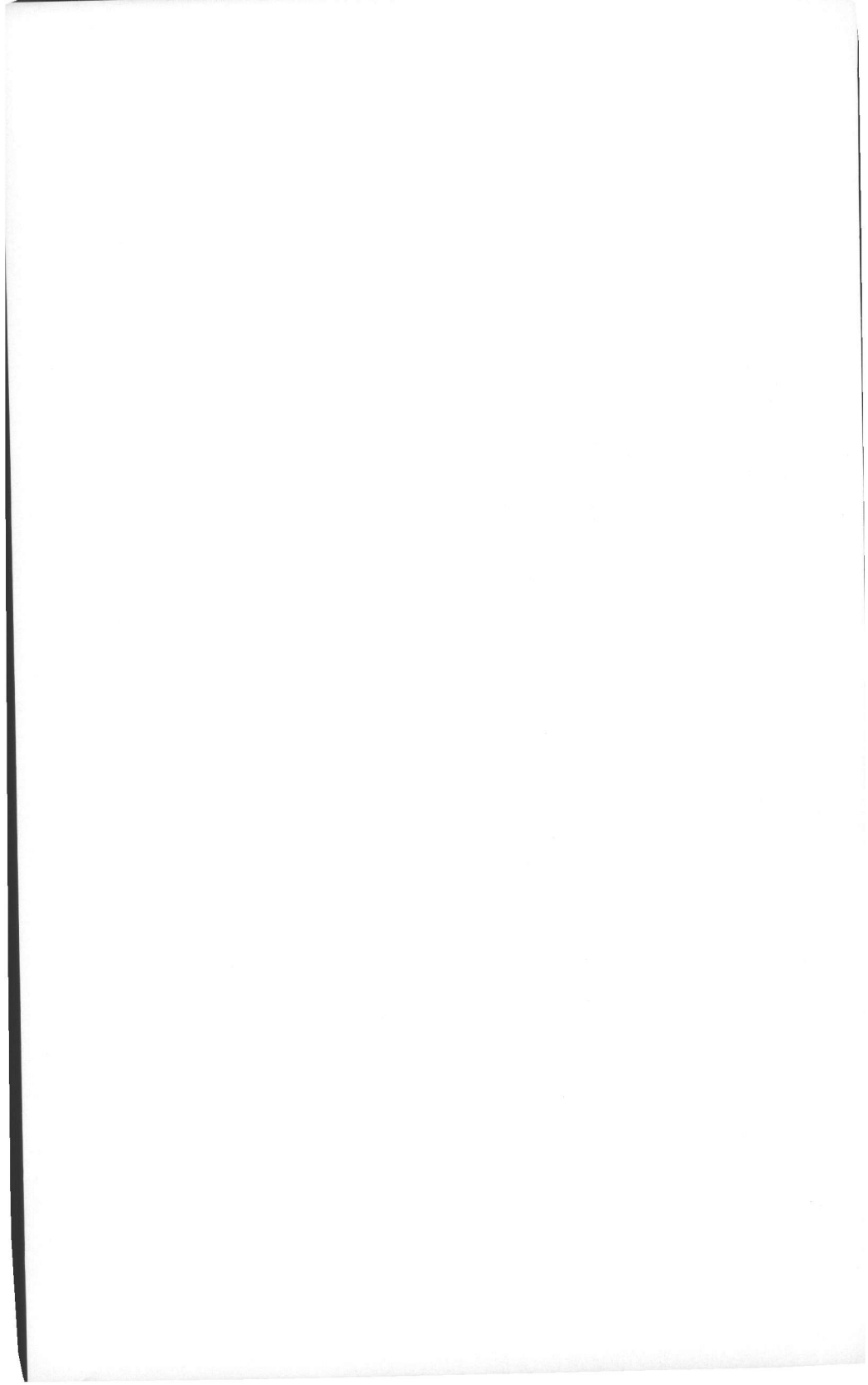
Jean Duvieusart,
President of the European Parliament
from March 1964 to September 1965



Victor Leemans,
President of the European Parliament
from September 1965 to March 1966



Alain Poher, President of the European Parliament since March 1966



V

In the service of social progress

Social policy as the natural complement to the Community's economic policy

In the Preamble to the EEC Treaty the member States affirm 'as the essential objective of their efforts the constant improvement of the living and working conditions of their peoples.' This implies that all measures contemplated in the Community must also be judged from the social policy angle, and that social policy must be treated on an equal footing with the Community's economic policy.

There is a striking similarity between the social objectives set out in the Preamble and in the first few Articles of the ECSC Treaty and those laid down in the EEC Treaty. Under Article 3,e of the ECSC Treaty, the Community's institutions shall 'promote the improvement of the living and working conditions of labour in each of the industries for which it is responsible, enabling them to achieve equality in the process.'

The European Parliament has always opposed the view that social problems are only incidental to economic integration and that the Community institutions must confine themselves to taking measures, as required, to offset any direct adverse effects of the establishment and operation of the Common Market.

These measures have received the closest attention from the European Parliament and its Social Committee. In a resolution of 12 May 1964, Parliament described them as 'the very basis of a truly European social policy.'

Under its mandate to supervise the application of the Treaty by the European Commission, Parliament has set forth its views on social policy during its discussion of the annual general reports of the Executives. For the European Economic Community, discussion centres on the separate account of social developments in the Community which, in accordance with Article 122 of the EEC Treaty, is appended to the annual general report.

In addition to this general review of the Executives' policy, Parliament makes its influence felt at numerous discussions on specific social problems, as well as on general matters exhibiting certain social aspects—for example, in agricultural policy, transport policy, regional policy and, above all, medium-term economic policy.

Parliament discerned, in the social aspects of these different policies, the basic elements from which a Community employment policy ought to be developed.

Employment

Continuity of employment is one of the chief aims both of the ECSC and of the EEC Treaty. Article 2 of the ECSC Treaty requires that 'the Community shall progressively establish conditions which will themselves ensure the most rational distribution of production at the highest possible level of productivity, while safeguarding continuity of employment.' Article 118 of the EEC Treaty states that 'the Commission shall have as its task the promotion of close collaboration between member States in the social field, particularly in matters relating to employment.' This basic aim of the two Treaties is reflected in a number of provisions which—in no small measure thanks to Parliament's constant vigilance—have been interpreted and applied in the widest possible sense.

Free movement of workers

The establishment of a common labour market and, therefore, of the free movement of workers, is one of the principles of the common employment policy laid down in the EEC Treaty. Under Article 49, the machinery for matching offers of and requests for employment and for equating labour supply with demand, must be set up 'in conditions ensuring the avoidance of serious threats to the standard of living and employment in the various regions and industries.'

The removal of any restriction on employment, based on nationality, provided for in Article 69 of the ECSC Treaty for skilled workers in the coal and steel industries was extended by the EEC Treaty to the employment, remuneration and other working conditions of all workers in the member States.

Although the EEC Treaty does not require Parliament to be consulted on these questions, the Council felt it necessary to submit to it the EEC Commission's proposals—the basis for Regulations Nos. 15/1961 and 38/1964—before adopting the measures necessary for the progressive introduction of the free movement of workers. In its study of these two proposals for regulations Parliament did not confine itself to proposing amendments—most of which, incidentally, were embodied in the final texts. It also emphasized that

'the freedom of movement of workers must form part and parcel of a rational and co-ordinated development policy,' and dwelt on the need for 'suitable measures in the fields of housing, occupational training, standard definitions of occupational skills and in the all-important sphere of social services.'

In the light of the remarks contained in this 1963 resolution, Parliament passed another resolution on 17 October 1967 pointing out that if workers' freedom to move freely was to be achieved, the following measures would have to be taken in the near future :

- (a) Harmonization of occupational training systems and recognition of the equivalence of degrees, diplomas and other certificates;
- (b) Adaptation of the sphere of action and of the resources of the European Social Fund to enable it to become an effective instrument of a Community employment policy;
- (c) Stepping up activities aimed at facilitating the integration of migrant workers and their families into their new-found employment and way of life;
- (d) Drawing up rules giving effect to the right created by the EEC Treaty to live on the territory of a member State after having been employed there.

Freedom of establishment

The problems connected with the first item of the last resolution have much in common with those of giving effect to freedom of establishment for self-employed persons in the Community. Although

Parliament has not yet made known its views on the social aspects of the Communities' activities in this sphere, in which there appears to be a certain backlog, the Social Committee did lay down a number of principles on this subject in 1961 in an Opinion prepared for the Internal Market Committee : (i) it is essential from the social policy point of view to synchronize as rapidly as possible the time-limits laid down in the Commission's proposals for freedom of movement and the removal of restrictions on the freedom of establishment and to supply services; (ii) disguised discrimination is to be avoided; (iii) degrees, diplomas and other certificates awarded in one member State must be recognized throughout the Community; (iv) the right to social security must be conceded particularly to self-employed persons running a small business, and the social security rights acquired by them in one or more member States must be extended to them as such in any Community country; (v) persons who have settled, by virtue of the freedom of establishment, with or without their families in another Community country, must be accorded the same treatment as nationals in the allocation of housing; (vi) the splitting-up of families is to be avoided; (vii) persons establishing themselves in another Community country must have an express right to cultural and social assistance.

European Social Fund

Article 3, i of the EEC Treaty requires the European Social Fund to improve the possibilities of employment for workers and to contribute to the raising of their standard of living. Article 123 further requires the Fund to increase the geographical and occupational mobility of workers. Something more is involved, therefore, than the provision under Article 56 of the ECSC Treaty of a non-repayable grant towards financing the technical retraining of coal and steel workers who are led to change their employment. Thus Parliament has always maintained that the Fund should be regarded as the instrument of an effective social and regional policy.

The provisions of the ECSC Treaty concerning readaptation aid once formed part of the transitional provisions of the Treaty. They were only included in their present form in Article 56 following a vote in the European Parliament which was carried by a majority of three-quarters of the votes cast and two-thirds of its members. This is one of the few cases where the European Parliament, mindful of

the need to safeguard acquired social rights, exercised its legislative powers within the ECSC context.

Parliament also left its stamp on the provisions relating to the European Social Fund finally adopted by the Council of Ministers. Once again it took advantage of compulsory consultation to propose amendments which left a deep impression on the Fund's structure and method of operation. Thus the Council decided, in line with an Opinion returned by Parliament, that the Fund could play a part in other initiatives aimed at facilitating the recruiting of labour and at promoting the geographical and occupational mobility of workers. Moreover, on a proposal by Parliament, the Fund's sphere of activity was extended to self-employed persons. Parliament also urged, right from the beginning, that the scope of the Fund should be widened before the end of the transition period to include tasks other than those listed in Articles 124-126 of the EEC Treaty, so as to promote a Community social policy and achieve the general objectives set out in the Treaty. Here, too, Parliament's influence set the pattern, and proposals by the Commission since submitted to the Council of Ministers largely take into account Parliament's recommendations for stepping up the activities of the Fund.

Occupational training

Under Article 128 of the EEC Treaty the common policy on occupational training must be capable of contributing to the harmonious development of the economies both of individual States and of the Common Market. Although for the purpose of defining the general principles to be applied in giving effect to this policy only the Economic and Social Committee need be consulted under the Treaty, the Council felt it desirable to seek Parliament's advice on this point. The decision of the Council defining ten principles applicable to the common occupational training policy differs appreciably in a number of points from the Commission's original proposals. These differences stem to a large extent from the Opinion returned by Parliament.

Living and working conditions

Parliament has seized every opportunity to support efforts to harmonize social conditions, even where these have been made within a wider context.

On the occasion of the signing of the European Social Charter drawn up in the Council of Europe, Parliament urged the member States of the Community, in a resolution passed on 14 May 1963, to ratify the Charter at an early date so as to ensure that the social provisions thenceforward to be complied with in common were as comprehensive as possible. Parliament also repeatedly urged member States to ratify the agreements concluded within the framework of the International Labour Organization.

That the European Communities are expected to concern themselves with the improvement of living and working conditions may be inferred (i) from the preamble and Articles 2 and 3 of the ECSC Treaty, which require the Community to contribute to raising the standard of living in the member States and to promote the improvement of living and working conditions of labour, and (ii) from the EEC Treaty which singles out as an essential objective the constant improvement of the living and working conditions of their peoples (Preamble), and assigns to the Community the task of accelerating the rise in the standard of living (Article 2).

Although these are important features of a social policy, the Council of Ministers was not obliged to consult Parliament. This did not, however, prevent the latter from seizing the initiative and urging the Community institutions to take certain measures, or from making its views known once it became apparent that the Commission was engaged in preparing proposals.

Certain suggestions made by Parliament were thus later incorporated in the Commission's recommendations to member States on (i) the steps to be taken by the social services on behalf of migrant workers; (ii) housing for workers effecting a move within the Community; (iii) exchanges of young workers; and (iv) the expansion of occupational guidance facilities.

Housing

Whereas the EEC Commission could only make recommendations, the ECSC High Authority was able to do much more in this important sector, granting interest rebates and loans from its special reserves, a facility it owed to an initiative of the Common Assembly. Parliament has always been on the look-out for ways and means of practising a similar housing policy within the EEC. The recent Commission proposal that the European Social Fund should be put in a

position to help financing projects for social housing and occupational retraining centres is a first modest move in this direction.

Family policy

Heavy demand for labour in the Community has led to more and more use being made of female workers. This has highlighted the problem not only of equal rights for women and their right to engage in an occupation of their choice, but also of safeguarding the interests of children. In a resolution of 27 June 1966 on a draft EEC Commission recommendation to the member States concerning maternal welfare, Parliament stated that standardizing the various regulations on maternal welfare in force in the Community in a progressive spirit was only a first step towards more advanced legislation which would confer a more adequate status to the working woman and remove any obstacle to her access to jobs, to her right to equal working conditions and opportunities for promotion, and to full integration in society.

Parliament expressed the hope that the Commission would take steps, in close collaboration with all concerned, to ensure that the problem of the employment of women during the maternity period is radically reviewed.

Although the draft of a recommendation by the EEC Commission has not yet been prepared, Parliament's approach to this question has been clearly defined.

Social security and working conditions

Article 118 of the EEC Treaty assigns to the Commission the task of promoting close collaboration between member States in matters relating to labour legislation, working conditions and social security. Parliament has always maintained that the Commission ought to take steps to see that these provisions are applied, but this remains a vexed question and the subject of lively discussions in the Council of Ministers. Parliament has set forth its views on the subject in a number of reports and resolutions drawn up in the light of information collected from employers' and workers' organizations by its responsible committees. For example, in a resolution of 21 November 1961, it stated that 'economic development cannot be relied upon solely to line up social progress within the Community with the aims

of harmonization and approximation outlined in the Treaties,' and advocated 'a purposeful social policy on the part of the European institutions so as to ensure that social development keeps pace with economic progress.'

Parliament considered that the disparities in the level of prosperity in different areas of the Community were largely attributable to conditions unfavourable to high productivity, and asked the EEC Commission to urge the Governments 'to increase their investment aid to the less developed areas of the Community and to extend the sphere of activities of the European Investment Bank with a view to creating conditions conducive to an approximation of living standards and to a narrowing of regional differences in these standards.' Parliament had already—in a resolution of 14 January 1960—called for close co-operation between the European Investment Bank and the European Social Fund.

In so far as the harmonization of social conditions calls for negotiations between employers and employees, Parliament felt that an effective approach would be to establish co-operation at Community level between joint committees of employers and employees and the EEC Commission. It hoped that these contacts would help to speed up not only the creation of a system of European labour legislation but also the harmonization of collective bargaining and approximation of social security systems.

Social security for migrant workers is a matter to which Parliament has always paid special attention. Since a draft regulation originally intended for ECSC workers was taken over in 1958 in the wider context of the EEC, Parliament had no opportunity of expressing its views on regulations laying down basic rules for the application of social security systems to workers moving with their families within the Community. Parliament was however consulted on a large number of supplementary regulations amending the originals or making them applicable to frontier workers, seasonal workers, auxiliary civil servants, seamen, etc. Finally Parliament urged that the abundant Community legislation in this sphere be codified and embodied in a single regulation. The Council decided to make good its original omission and not to take its final decision until Parliament had been consulted.

Parliament also made it clear in a number of resolutions that harmonization of social security provisions should be extended to self-employed persons, and stressed the need for satisfactory arrange-

ments, both at Community and at national levels, for workers not in receipt of salaries or wages.

European Miners' Charter

In this connexion the draft European Miners' Charter deserves special mention. This was intended to ensure for the miner in the Community secure and stable employment and a number of social benefits to compensate him for the hazards and exacting conditions of his job and at the same time assist the collieries to overcome their recruiting difficulties. Despite the highly constructive support given by Parliament the Miners' Charter has not been adopted, in part owing to the growing structural difficulties besetting the European coalmining industry.

Wages

In the Community, in which increases in pay are largely tied to economic progress, the problem of wages is of considerable importance, particularly as 80 per cent of the active population are wage-earners whose sole fixed income is in the form of salaries or wages. Under Article 68,1 of the ECSC Treaty, methods of fixing wages and social benefits are not affected by the Treaty. This means that domestic systems of fixing wages, which are generally based on agreements between employers and workers, cannot be influenced in any way. The authors of the Treaty of Rome appear to have assumed that alignment of wages in the Six would automatically follow from the creation of a common labour market, or at least from the the extension of the labour market and the ban on distorted forms of competition.

Parliament has kept close track of wage trends and always insisted that the Executives carry out systematic surveys on the subject, something that has now become a regular feature.

As regards Article 119 of the Treaty relating to equal pay for men and women, Parliament entered the field at an early stage with initiatives culminating in the submission of an EEC Commission recommendation to the member States and the passing of a resolution advocating equal pay by a conference of representatives of the six

Governments on 30 December 1961. This resolution has still been only partly applied. Parliament has since continued to follow up developments attentively, and it was at its insistence that the Council recently asked the European Commission to prepare an annual report on the application of this Article.

Industrial medicine, health and safety

After the setting up in the ECSC of a Mines Safety Commission, which the Common Assembly demanded following the Marcinelle mine disaster of August 1956, Parliament saw to it, through a series of reports and resolutions, that the agreements relating to safety in mines did not remain a dead letter.

In a resolution of 14 May 1959 it stressed that co-operation between the three Executives should be stepped up to the utmost in the industrial medicine, health and safety sectors.

In the European Atomic Energy Community the problem was that of protecting the general public and workers against the hazards of ionizing radiations. In a resolution of 17 December 1958 Parliament approved the amended Euratom Commission proposals relating to basic standards, stressing the need to set up a suitable system for compensating the victims of occupational diseases and accidents at work in this sector.

Other reports and resolutions concerned industrial health and safety in the EEC as well as the drawing up of a European list of occupational diseases, later the subject of an EEC recommendation to the member States. Parliament also concerned itself with Community legislation on food and pharmaceutical products.

Social questions in other fields

The sphere of action of the Community's social policy covers the social aspects of the activities of the Executives in the various branches of the economy. This is why Parliament felt that the social situation in the Community could be improved by carrying out a systematic study of the social aspects of the policy pursued in other sectors. The Committee on Social Affairs has prepared numerous Opinions covering a variety of questions on behalf of the parliamentary committees directly concerned.

Agricultural policy

This need for vigilance was particularly marked in the agricultural sector because the aim of the common agricultural policy is 'to ensure a fair standard of living for the agricultural Community, particularly by increasing the individual earnings of persons engaged in agriculture.' In the course of consultations, Parliament maintained that the Community should contribute to the financing of occupational retraining of agricultural workers anxious to change their occupation within the same sector. Parliament took the initiative of clearly defining the sort of social policy it thought should be pursued in agriculture, urging the abolition of all discrimination between agricultural and industrial workers as regards pay and other terms of employment, social security and labour legislation in general.

Regional policy

On a proposal by the Committee on Social Affairs, Parliament also investigated policy from a social angle. This policy had taken shape mainly within the ECSC as a result of the redevelopment of enterprises and the creation of new economic activities outside the coal and steel sector. Parliament drew on the findings of study and fact-finding missions of the committees concerned to areas whose situation demanded immediate Community measures. As is generally known, Parliament has always supported the High Authority's activities in this sphere.

Road transport

The harmonization of certain social provisions in road transport covers in particular the composition of crews, spells at the wheel and daily rest-periods. The urgency of the Executives' proposals and of Parliament's Opinions on this subject was to be vividly brought home by a series of sensational accidents involving tankers and motor-coaches in all the Community countries. The Transport Committee was highly critical of the Council for having so long deferred the necessary decisions, and the Commission announced emergency measures to deal with the alarming situation.

Parliament also made its views known on social provisions in the sphere of road transport, on the social aspects of the common energy policy, on social measures concerning workers in the Italian sulphur mines—threatened with closure—and finally, in November 1966, on the social effects of the medium-term economic policy programme.

As regards the last item, Parliament regarded as essential not only a programme of economic and social policy measures for industries in difficulty but also a policy giving workers a bigger share in capital formation. Parliament also asked for an action programme covering the practical economic and social policy decisions to be taken at Community level in the final stage.

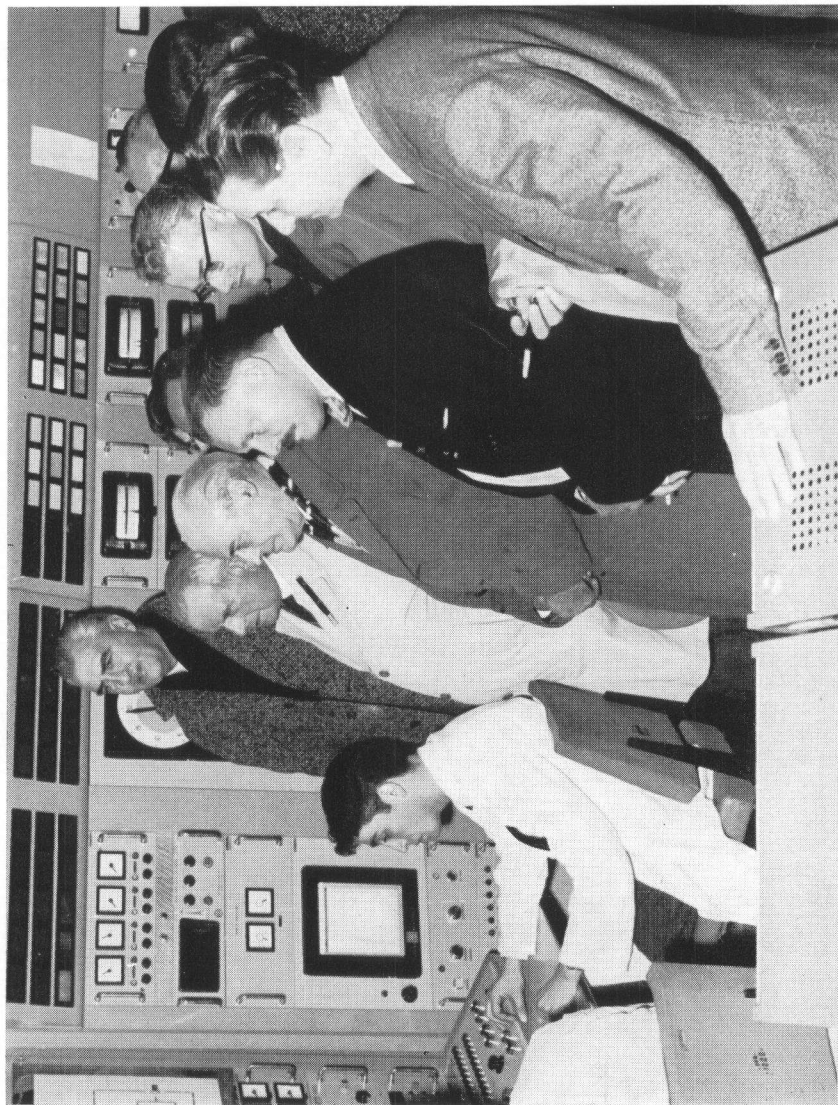
In the course of the last ten years Parliament has devoted 100 debates wholly or partly to the social problems of the Community. This necessarily brief review of Parliament's record of activity in this field cannot be closed without mentioning that, before taking up a definite position, it always consults the employers' and workers' representatives. A healthy tradition has grown up whereby the Committee on Social Affairs and Health Protection arranges meetings, where appropriate, with these representatives. Parliament therefore serves to draw employers and workers alike into the Community's institutional debates. On a number of occasions the parliamentary committee concerned has drawn up its conclusions in the light of direct contacts with members of the national Governments. This was the case with the preparation of the reports on Article 118 of the EEC Treaty and on the free movement of workers. Meetings were also held to discuss social conditions in the sphere of road transport and the broad lines of the European Commission's activities in the social sector.

Again and again the committee concerned paid visits to areas faced with special problems in order, through personal contact with those concerned, to lay down the basis for social policy measures to be taken at Community level. Such study and fact-finding missions were sent to Marcinelle and Völklingen, both sites of mining disasters, to Sicily, threatened by the closure of sulphur mines, and to the Franco-Belgo-Luxembourg frontier area faced with redevelopment and readaptation difficulties. The Committee on Social Affairs carried out on-the-spot investigations into similar problems in the Borinage area, in the triangular region bounded by Liège, Limburg

(Belgium), Limburg (Netherlands) and Aachen, in the peripheral areas of Lower Saxony, in Bari, and in the vicinity of Turin where difficulties had arisen in the textiles sector.

The all-important social and human aspects of the migration of workers were also made the subject of a series of study and fact-finding missions both to the areas from which the emigrants set out and to the areas in which they resettled.

The impressions gained in this way of the special circumstances prevailing in the different areas of the Community were set out in reports and Opinions in the light of which Parliament drew up resolutions on the free movement of workers, redevelopment and readaptation in the Community, industrial medicine, health and safety, and public health. Parliament thus became the guardian of the human element in a world increasingly dominated by technical factors, and a real force for social progress.



Study mission by the Committee on Energy, Research and Atomic Problems, Casaccia, near Rome, December 1964

VI

Scientific and technical research

The impact of technical research and technological progress on economic and social development is a major cause of concern to Europeans in view of the gap that separates them in this field from the great industrial powers. The Community countries have grasped the fact that technological progress largely governs economic and social progress in the Community. Throughout the last ten years the European Parliament has focused its attention on this problem, constantly urging the adoption of a Community approach.

The difficulty lies in the fact that the three European Treaties endow the Communities with widely differing powers in the sphere of research. Although research accounts for the bulk of Euratom's activities and is a major aspect of the work of the ECSC, the EEC Treaty makes not the slightest reference to a common research policy.

The provisions of the ECSC Treaty have enabled the High Authority to pursue a coherent research policy in those sectors that fall within its province. Under the Treaty,

'the High Authority shall encourage technical and economic research and development as regards the production and development of consumption of coal and steel, as well as occupational hazards in these industries. To this end it shall organize appropriate contacts among existing research organizations.'

The Euratom Treaty devotes a whole Title to 'provisions designed to encourage progress in the field of nuclear energy.' Article 4 lays down that the Euratom Commission

'shall be responsible for promoting and facilitating nuclear research in the member States and for complementing it by carrying out the Community's programme of research and training.'

The ECSC High Authority has worked out a research programme of its own in the coal and steel sectors, while Euratom has concerned itself with nuclear research. The EEC Commission has set up a working party, on its Medium-Term Economic Policy Committee, to deal with scientific and technical research policy.

Parliament, for its part, has underlined the need for close co-ordination of the activities of the three Executives, on the ground that it alone can advance the development of a European policy for scientific research and technological progress.

Research policy of the Communities

As regards the Coal and Steel Community, Parliament has always maintained that, if the Treaty objectives are to be achieved, research must be one of the main features of the High Authority's policy. It therefore came out in support of the establishment of a European coal research council. Parliament also backed and approved the action taken by the High Authority in the field of research, dwelling on its rôle in co-ordinating the research carried out by private enterprises and on the efforts made by the coalmining industry in the technological and research sectors to withstand increasingly stiff competition from other forms of energy.

The research programmes drawn up by the ECSC High Authority provide for three types of measures :

- (a) financial assistance for research;
- (b) encouraging co-operation between research centres in the six countries;
- (c) publishing the results of Community-financed research.

In discussing the general reports on the activities of the ECSC, Parliament took a highly favourable view of the action taken by the High Authority in the field of research, and urged it to continue and step up its efforts. In a resolution of June 1958 relating to scientific and technical research in the ECSC, Parliament dwelt on the importance of scientific and technical research in the applied sciences as a means of improving techniques, increasing productivity, raising quality standards, encouraging the consumption of new products and furthering the safety, health and well-being of the population at large.

As regards research in the Atomic Energy Community, the Euratom Commission concentrated its efforts on co-ordinating and supplementing national research programmes. The basic principles underlying Euratom's activities fall under three main heads :

- (a) striking a balance between fundamental and applied research;
- (b) bringing the work done by Euratom and the member States into line;
- (c) maintaining a certain relationship between immediate needs and medium- and long-term projects.

Parliament considered that one of the tasks of the Euratom Commission was to carry out and have carried out research in certain fields recognized as important and, by assembling a vast quantity of detailed facts and figures, to acquire an overall view of the situation of nuclear research.

Euratom's research activities are based on its five-year programmes. Although the first of these programmes was adopted and put into effect without too much trouble, agreement on the second five-year programme was reached only with difficulty in the Council of Ministers and at the price of a distinct curb on Euratom's means of action. In a resolution of 21 October 1965 Parliament regretted that Euratom would, as a result, have to concentrate its research on certain reactor types only; research ought to embrace all spheres likely to be of use in arriving at sound decisions as to the building of reactors on an industrial scale. Parliament went on to suggest that the Commission should make provision in its third five-year programme for research in currently neglected fields such as biology and health protection, fuel reprocessing, treatment of radio-active waste and isotopes, marine propulsion and space travel.

Great difficulties were encountered in drawing up the third five-year research programme—a situation which caused Parliament a great deal of concern because it saw it as a threat to Euratom's activities. In a resolution of September 1967 Parliament pointed out that it was essential that the Council, on completion of the second five-year programme, lay down without delay, and regardless of industrial developments at national level, the future policy of Euratom, with a view to helping European nuclear and technological research to reach a level consistent with progress in the future. In a resolution passed a month later Parliament again voiced its concern at the fact that no decision had been taken concerning Euratom's activity following the expiry of the second five-year research programme on

31 December 1967, and asked the Commission of the European Communities to work out a solution, jointly with the Council, without delay.

At a meeting at the end of October 1967 the Council drew up a provisional research programme under which Euratom's main activities were to be continued. A new five-year programme will not however be prepared until the Council has carried out a detailed review of Euratom's entire activities.

During discussions on the annual reports on Euratom's activities Parliament has always stressed the need to co-ordinate the research programmes of the member States and Euratom, and to enable Euratom to carry on its own research. Parliament feels that Euratom should pave the way for a European research policy. In the tenth and final general report on its activities the Euratom Commission observed that the nuclear sector had served as the first model of a research organization. It was generally realized, however, that these activities had to be extended to other key sectors of technology if the Community was to retain its industrial competitiveness in the face of world competition—a view which had secured strong support in the European Parliament.

Although the EEC Treaty makes no reference to a common research policy, the EEC Commission has taken a constant interest in research problems. The Medium-term Economic Policy Committee set up a working party on scientific and technical research policy to study problems connected with the preparation of a co-ordinated or common policy on scientific and technical research, and to suggest ways and means of launching such a policy with due regard to possible co-operation with other countries. The investigation was to tie in as closely as possible with the general economic policy of member States and of the EEC.

In its recommendation on medium-term economic policy, which drew largely on the findings of the working party, the EEC Commission pointed out that co-operation between the Six in the field of scientific and technical research was absolutely essential.

Towards a European research policy

Co-ordination of the research activities of the three Communities has proved to be highly desirable. Parliament realized the need for concerted efforts in the field of research from the moment the EEC

and ECSC Treaties came into force, particularly in view of the widely differing powers enjoyed by the Executives under the three Treaties.

Parliament repeatedly called for co-ordination of the Communities' scientific and technological research activities at European level. In a resolution of October 1966 it urged the Governments, in view of the considerable ground to be made up by Europe in the field of research, to take steps to ensure that efforts were concentrated at Community level and to make the best use of Euratom's Joint Research Centre by extending its activities to all areas of research.

Pending their merger, the three Executives got down to the task of organizing co-operation among themselves. In 1965 they set up an inter-Executive working party on scientific and technical research which is engaged in elaborating guidelines for a common or co-ordinated research policy.

The Six are, however, a long way off from a common research policy or even satisfactory co-operation in this field. This situation has been a source of great anxiety to Parliament which has often drawn attention to the gap separating research in Europe from that carried out in other industrial powers. In the nuclear field, Parliament considers that the Community must develop its own industry. A resolution passed in September 1964 reads :

'The European Parliament considers that a choice between the various systems of winning nuclear energy should not be made simply by reference to costs but must reflect a determination to endow Europe with bargaining powers of its own and with an effective nuclear capacity;

Considers it essential, therefore, that the Community continue its efforts to develop European techniques for slow reactors with a view to training engineers and developing industry and scientific research, and also that investigations into fast reactors and nuclear fission be simultaneously speeded up;

Calls upon the Commission to step up its efforts to co-ordinate national programmes with the Community programme by way of directives and association, participation and research contracts.'

In October 1967 Parliament called for the rapid setting up of a joint isotope-separation plant which could serve as the starting-point for the development of a European nuclear industry and reduce the Community's dependence on imported fuels. As regards technological progress and scientific research in general, Parliament passed,

in October 1966, an important resolution laying down guidelines to enable the Community to make up its leeway in this field :

'The European Parliament notes that the increase in the number and range of the tasks remaining to be done in the field of scientific research and technical development, on the one hand, and the need for steady progress of the Community's economy on the other, necessitate a wide measure of constant co-operation in the field of science and its applications;

Considers that scientific and technological progress is essential for promoting the social and cultural welfare of the peoples of the Community and as a means of enabling the Community to carry out its obligations towards the developing countries under the best possible conditions;

Considers that the efforts made within the Community in the scientific and technological fields should be brought up to a level comparable with that of the major industrial powers so as to preserve the Community's competitive capacity in the long term;

Regards co-operation within the Community in the field of scientific and technical research as essential to the success of the common economic policy covered by the first indicative medium-term programme;

Shares the view of the EEC Commission that the development of scientific and technical research should be regarded as one of the three most urgent aims of the Community over the next five years;

Requests the Executives to state their views on the principles and instruments of a common science policy aimed at increasing the Community's scientific potential through close co-operation between the member States and a balanced relationship between the natural and the human sciences as well as between the private and public sectors;

Is convinced that the soundest form of co-operation must leave room for joint projects and programmes which would not only avoid wasteful overlapping of efforts but also, through the contacts they involve, act as a powerful stimulus. It notes that Euratom can serve as a suitable focal point for the Community institution to be made responsible for supervising these projects and co-ordinating these programmes;

Is of the opinion that the Community need not necessarily concentrate its efforts in every case on the same research sectors as other major industrial countries;

Considers that the Community provides a particularly suitable framework for co-operation, and at a later stage for a common policy, in the field of applied research and development, because it allows of closer integration of the necessary policy decisions than broader-based international organizations;

Considers it essential, in the interests of democracy, that major decisions connected with co-operation in the Community and, at a later stage, with the common policy on scientific and technical research, be made known among wide sections of the public, in which respect the European Parliament and the Information Services of the Communities must play an important rôle.'

Parliament also came out in support of a European science policy. In October 1967 the parliamentary committee concerned had held talks with British representatives, with a view to studying the plan for a European technological community put forward by the British Prime Minister, Mr. Wilson. The discussions covered the following points :

- (a) The significance to be attached to Mr. Wilson's proposals;
- (b) The structure and organization of a European technological community;
- (c) The sectors that would fall within its province and their relative priorities;
- (d) Co-operation between the technological community on the one hand and Community institutions and non-member countries on the other.

Following this discussion, the Committee on Energy, Research and Atomic Problems decided to recommend the setting up of a working party of experts from the EEC and the United Kingdom to submit a joint report to the European Parliament and to the House of Commons. The following sectors were singled out as most urgently calling for co-operation between the Community and the United Kingdom : particle accelerators, production of enriched uranium, telecommunication satellites, electronic computers, biology.

Towards the end of 1967 Parliament resumed its efforts to arrive at a definition of a European policy on scientific and technical research, for which fresh prospects had been opened up by the merger of the three Executives into a single Commission and by a Council resolution on the subject.

Early in 1967 the three Executives submitted to the Council a memorandum on the problems of scientific and technical co-operation

in the Community. This took particular account of (i) a note by the French Government on the preparation of a common policy on scientific and technical research; (ii) suggestions by the Italian Government; (iii) work done by the inter-Executive group on scientific and technical research; and (iv) reports and resolutions of the European Parliament. In the memorandum the Executives noted that the progress made by European countries in recent years in the field of science and technology, and in their industrial application, had been less rapid than that achieved outside Europe. This was why it was necessary to enable enterprises to make greater efforts in future in the sphere of research and industrial developments. The projects of the member States had to be compared one with the other and closely co-ordinated. Lastly the Council of Ministers had to decide on measures for promoting scientific and technical research as a whole.

This the Council did at a meeting in October 1967 at which it passed a resolution calling upon the working party on scientific and technical research policy set up within the Medium-term Economic Policy Committee :

- (a) to study the possibilities of co-operation in the following fields : information and telecommunications, development of new means of transport, oceanography, metallurgy, harmful environmental factors, meteorology;
- (b) to consider making other fields the subject of this co-operation;
- (c) to carry on comparing national methods, plans, programmes and budgets in the research sector;
- (d) to investigate ways and means of creating a Community system of compiling and disseminating technical information or to co-ordinate existing national information systems;
- (e) to investigate ways and means of co-ordinating the training and stepping up exchanges of scientists.

In a resolution of November 1967 Parliament takes note of the Council's resolution and states that it

'Notes with satisfaction that by adopting this resolution the Governments of member States have started out on the path leading to a common action programme in this sector;

Is confident that this programme, when put into effect, will permit tangible results to be speedily achieved in the sectors concerned, and considers it particularly desirable to make a constant comparison of the research budgets and programmes of the

six countries so as to emphasize the Community character of the means of intervention.'

Parliament also :

'Reiterates its opinion that a scientific and technological research policy must be regarded as a fundamental factor in the development of Europe's economy and as the linchpin of an industrial strategy in keeping with our times; however, it implies the existence of an appropriate common energy policy;

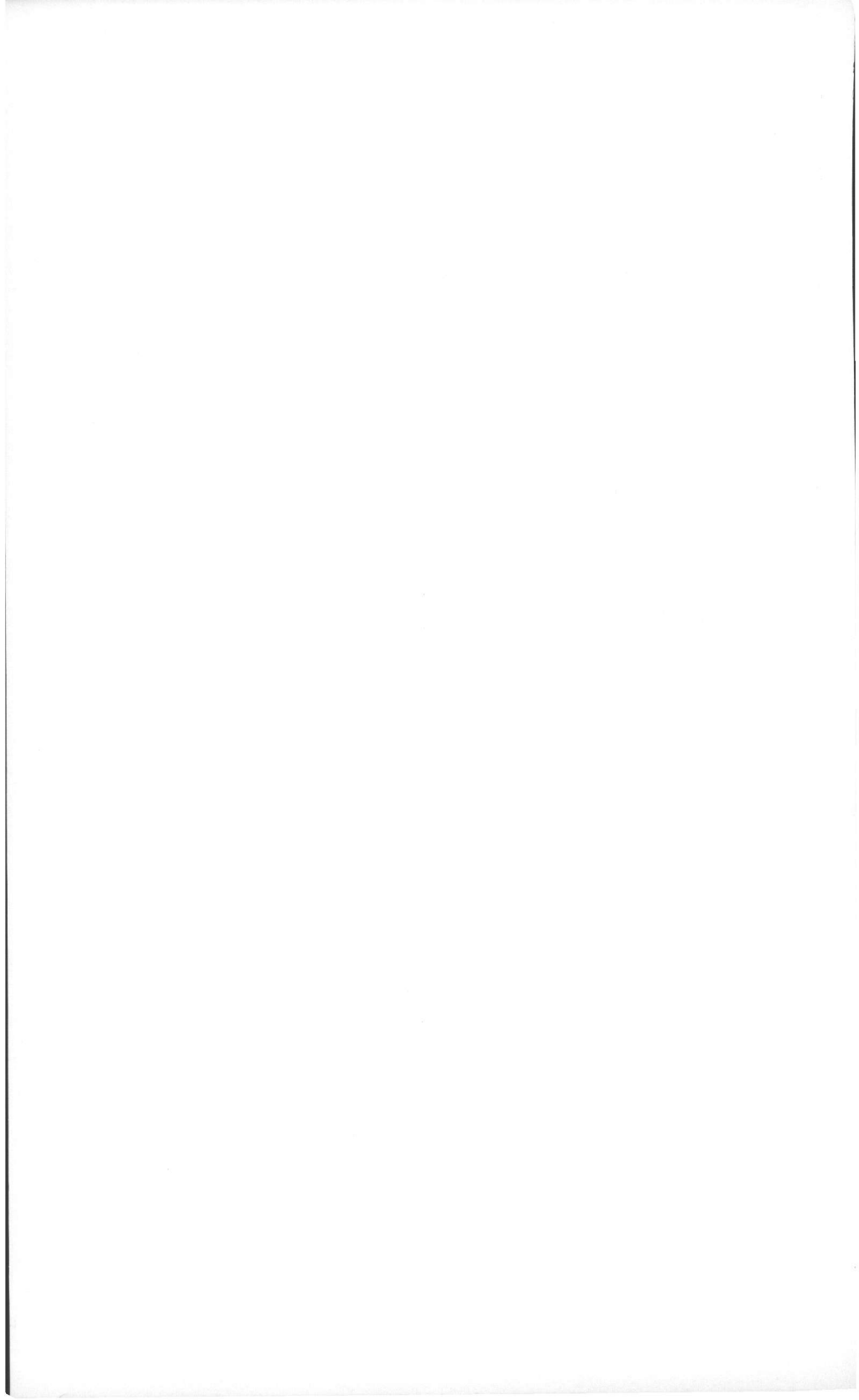
Views with grave concern the tendency for the technological gap between Europe, the United States and the other great technological powers to grow ever wider, with a resultant considerable loss of valuable energies, placing the independence of Europe in grave jeopardy and involving serious dangers for its future economic and social structure;

Is therefore of the opinion that there is an urgent need to move from unco-ordinated individual efforts to a systematic policy starting from fundamental and applied research, and development, and fitting into a programme for European economic expansion; this policy should include suitable measures covering action both by the public authorities and the private sector and making provision, particularly in the case of the latter, for financial aid, tax reliefs and public contracts;

Is of the opinion that the aims, structure and methods of this policy should be promptly defined and that—as has been done to advantage in other areas of Community policy—it should include a timetable for its gradual implementation in the near future;

Suggests the establishment of a European scientific and technological development fund and the creation of European centres for the fundamental areas of research.'

By the end of 1967 it was clear that the six member States had grasped the need for a joint approach. They decided upon a series of measures which should make it possible, in the years ahead, to take practical steps—as desired by Parliament—to enable the European Community once and for all to make up its leeway in the field of scientific research and technological progress.



VII

Towards an outward-looking Community

The need for a common foreign policy

In the Treaties, the six member States expressly announced their intention to give their Communities an outward-looking character. In the Preamble to the ECSC Treaty they state they are resolved 'to substitute for historic rivalries a fusion of their essential interests; to lay, by establishing an economic community, the foundations of a broader and deeper community among people long divided by bloody conflicts; and to lay the groundwork of institutions which will give direction to a destiny which these peoples will henceforward share.' In the Preamble to the EEC Treaty the member States express their determination 'to establish the foundations of an ever closer union among the European peoples' and therefore call upon 'the other peoples of Europe who share their ideal to join in their efforts.' Finally, in the Preamble to the Euratom Treaty they announce their desire 'to associate other countries with their work and to co-operate with international organizations concerned with the peaceful development of atomic energy.'

The Six have thus made provision in the Treaties for the most diverse forms of co-operation with other countries, ranging from normal diplomatic relations to accession and association (Article 98 of the ECSC Treaty and Article 14 of the Convention containing the transitional provisions; Articles 237 and 238 of the EEC Treaty; Articles 205 and 206 of the Euratom Treaty). This basic attitude is also reflected in the common declaration of the Six, annexed to the

Treaties of Rome, concerning co-operation with States which are members of international organizations. In this the six member States recognize 'that by setting up a customs union and developing close collaboration between themselves in the peaceful development of nuclear energy, they will be ensuring economic and social progress and thus contributing not only to their own prosperity but also to that of other countries'... and 'declare that, as soon as these Treaties come into force, they will be willing to conclude agreements with other countries, particularly within the framework of the international organizations to which they belong, in order to achieve these objectives of common interest and to ensure the harmonious development of international trade in general.'

The European Parliament has remained faithful to the spirit of the Treaties and the founders' intentions. It has always felt bound to keep a close watch on and supervise the activities of the Communities in the field of external relations.

In 1958 the main aspect of the Community's external relations was economic. At that time discussions were still being held within the OEEC on the creation of a large free trade area embracing the Communities and the other countries of Western Europe. On 27 June 1958 the European Parliament accepted the principle of an agreement on a European economic association (free trade area) linking up the European Economic Community and the European Coal and Steel Community with the other OEEC member States. On 24 and 25 September 1958 Parliament argued that the creation of a free trade area (EFTA) between seven countries (Austria, Denmark, Norway, Portugal, Sweden, Switzerland and the United Kingdom) could facilitate the conclusion of an agreement between the Six and the Seven. Finally, on 17 October 1960, Parliament expressed the wish for close co-operation between the EEC and EFTA, and for the possibility of the EFTA countries acceding to or becoming associated with the EEC to be considered.

Although in 1958 the Community's external relations were primarily economic, they soon acquired an unmistakably political character. From the outset Parliament underlined the need for a common external policy, of which it became the most ardent champion. During talks held with the Councils and the Executives in November 1959 on the co-ordination of the external policies of the six member States towards non-member countries, all political groups of the European

nated if Europe was to achieve the fundamental political unity without which it could not play its part in the world. Parliament reiterated these wishes in talks held in November 1960 with the Councils and the Executives on the foreign policy of member States.

In taking up this position the European Parliament made it quite clear that the problem of the Communities' external relations had to be solved at political level. In a debate of 9 March 1961 on the results of the conference of Heads of State or Government held in Paris on 10 and 11 February 1961, it insisted that the course mapped out by it be followed, stressing that Europe could not long put off appearing on the international scene as a united body.

At the close of their Bonn conference of 18 July 1961 the six Heads of State or Government issued a statement reaffirming the outward-looking character of the Communities and expressing the hope that other European States would join them. Moreover, they regarded the continuation of active co-operation among the Foreign Ministers as a way of contributing to the continuity of the action undertaken in common, and called upon the European Parliament to extend the field of its deliberations to cover all political problems of common interest. On 19 September 1961, the European Parliament passed a resolution in which it too came out in support of effective co-operation between Foreign Ministers and acceded to the request of the Heads of State or Government to deal with all political problems of common interest, especially those connected with foreign policy.

The meetings of Foreign Ministers were suspended in April 1962 because of differences regarding the issue of political union. Parliament immediately opposed this suspension of the talks. In a resolution passed on 9 May 1962 it protested at the fact that, ten months after the Bonn declaration, appropriate political action had still not been taken, and reaffirmed its desire to see a politically united Europe with a common foreign policy and a common defence policy that would help to strengthen the Atlantic Alliance.

Unfortunately political union, and hence a common foreign policy, were not to come up for discussion again until November 1964 when the German and Italian Governments submitted proposals on the subject. On 20 January 1965 Parliament dwelt on the positive aspect of the initiatives of the two Governments, particularly as regards foreign policy. In March of the same year Parliament stated that there could be no federal system without common defence and foreign

policies. It added that it was convinced that regular meetings of Heads of State or Government and of foreign and defence ministers could be a first step towards speeding up European unification in the foreign and defence policy sectors. The initiatives of the German and Italian Governments were not followed up, and the European Parliament could therefore do nothing more than take note of this shelving of the problem of a common foreign policy. It discussed the matter in May 1967 in the light of a report by Mr. Dehousse on the relations of the Communities with non-member countries and with international organizations. At the close of the debate Parliament passed a resolution in which it :

'Rejects once more the idea that the Communities' aims are purely economic and vigorously reaffirms their political content;

Considers therefore that the elaboration of a common foreign policy and a common defence policy is the natural extension of the work of unification undertaken by the Treaties of Paris and Rome;

Calls on the Governments to take further steps to achieve this objective;

Renews the appeal issued to the other countries of democratic Europe when the Treaties were signed that they should join in the efforts of the six founder States;

Stresses the importance of the negotiations with the EFTA countries;

Calls on the Council and the Commission to come to speedy decisions on negotiations with non-member countries, particularly such as have been in progress for some years;

Expresses its confidence in the contribution that the Community can make to a *détente* in Europe and, in general, to the solution of the continent's unresolved problems;

Remains convinced that equality between members in all fields is the only means of giving the Atlantic Alliance a firm and lasting basis;

Calls on the Governments on both sides of the Atlantic to do all that is in their power to bring this about.'

Talks between Heads of State or Government were resumed in Rome on 29 and 30 May 1967 during the celebrations of the tenth anniversary of the EEC and Euratom Treaties. The Heads of State or Government decided to study ways and means of gradually tightening their political links in the light of experience and of the circumstances prevailing. The Foreign Ministers were asked to go more deeply into these matters. The results of the conference of Heads

of State or Government were studied by the European Parliament in June 1967. A resolution was passed expressing the hope that regular meetings of Foreign Ministers would be held to enable a common approach and effective action to be worked out at a more political level, especially in external policy.

The problem of enlarging the Community

The Treaties of Paris and Rome provide the possibility for any European State to apply for membership of the Communities. Applications are to be submitted to the Council which, after consulting the Commission, is required to give a unanimous decision thereon. The three Treaties lay down that certain conditions must be fulfilled before entry can be considered. The Rome Treaties further refer to possible amendments of the Treaties in the event of accession. These are to be specified in an agreement between the member States and the applicant State. No such provision is made in the ECSC Treaty.

Accession is undoubtedly the most direct way of incorporating non-member countries in the Community. Once admitted, new member States take over the same obligations and the same rights as the founder States. They may however, to a limited extent, receive special treatment as regards particular problems. Details of this must, however, be clearly laid down in the accession agreement.

Following the applications for membership received from the United Kingdom and Denmark, the European Parliament immediately turned its attention to the procedure to be followed for the conclusion of accession agreements. On 20 October 1961 it passed a resolution in which it stated that, in order to preserve the Community character of such a procedure, the EEC Commission must participate fully in the negotiations for entry and Parliament itself be kept regularly informed of the position.

The numerous applications for entry following that submitted by the United Kingdom led Parliament to discuss, at its January 1961 session, the political and institutional aspects of accession to the Community. The report of the Political Committee on which the debate was based stressed that the Community did not intend to cut itself off from the rest of Europe. Accession, moreover, was governed by the European character of the Community, itself limited in a geographical sense. The Community was thus a regional link-up which, as far as membership was concerned, was confined to Europe.

This limitation is one of the basic features of the Community. Since accession carried, in principle, the same rights and obligations as those appertaining to founder members, it could be made a condition of entry that the applicant country should be not only willing but also able to discharge the economic obligations entered into. The Community also had to take into account the political system of the applicant State, making the existence of a democratic set-up, i.e. a liberal political structure, a condition of membership. Consideration also had to be given to the various aspects of the EEC's unity—customs union, common agricultural policy, free movement of persons, services and capital, transport policy, economic and social policy, association with overseas States, etc. The Community, though composed of three parts (ECSC, EEC and Euratom) remained a unit. Entry by new States of only one or two of the Communities was therefore to be avoided. States admitted to the Community must accept its institutional framework. Lastly, the irreversible nature of the Treaties ruled out any temporary or revocable form of membership. Accession to the Community carried the obligation to apply not only the provisions of the Treaties but all decisions and directives enacted since their entry into force.

In May 1967 Parliament again turned its attention to the problem of accession in a debate on a report by its Political Affairs Committee on relations with non-member States and international organizations. At the close of the debate, Parliament passed a resolution in which it :

'Calls on the Council and the Commission to come to speedy decisions on negotiations with non-member countries, particularly such as have been in progress for some years;

Notes that the attraction of the Communities arises from and depends on their coherence and dynamism and that a primary aim should therefore be to safeguard and develop these qualities; Emphasizes that membership of the Communities implies both rights and obligations and that it is impossible to benefit from all the rights without accepting all the obligations.'

*Applications for entry from the
United Kingdom, Ireland, Denmark and Norway*

The United Kingdom's decision of 9 August 1961 to apply for membership of the EEC—to be followed by applications from Den-

mark, Ireland and Norway—led Parliament to tackle the problem without delay. On 26 June 1962 it passed a resolution in which it stated that ‘the United Kingdom’s entry cannot imply any change in the EEC Treaty... but implies acceptance of the results achieved as regards common policy in the various sectors such as agriculture and competition.’ Parliament called upon the United Kingdom to make a positive contribution to the shaping of common policy in all sectors and to extend the common external tariff, at the end of the transitional period, to its imports from the Commonwealth countries, which it hoped would become associated with the Community. In a further resolution on the agricultural aspects of the British and Danish applications for entry into the EEC, Parliament expressed the view that the admission of these countries would imply full acceptance by them of the aims, principles and methods of the common agricultural policy, and that special arrangements between the United Kingdom and the Commonwealth should be limited both as to range and duration and be consistent with the common agricultural policy.

The negotiations with the United Kingdom were indefinitely postponed on 29 January 1963. On 6 February 1963 Parliament discussed the course the negotiations had taken and the causes of their failure. At the beginning of the debate the President of the EEC Commission outlined the nature of the negotiations and the progress they had made, and stated that at the time they were broken off the chances of their proving successful had undoubtedly warranted their continuation. By an overwhelming majority Parliament then passed a resolution in which it recalled that it had come out in support of British entry, subject to respect of the Treaties, expressed its concern at the one-sided decision to suspend the negotiations and called upon the Council to resume them.

The EEC Commission was asked to report on the progress that had been made in the negotiations between the United Kingdom and the States of the Community and to make known its views on matters still outstanding.

In March 1963 Parliament discussed the EEC Commission’s report. In this the EEC Commission stressed the fact that both the United Kingdom delegation and the member States had from the outset accepted the Treaties of Rome as the basis for the negotiations. The aim of the negotiators had therefore been to work out special agreements with due regard to the distinctive features of the

British economy and the United Kingdom's obligations towards Commonwealth and EFTA countries. It was true that, at the time the negotiations were broken off, many of these questions had not been gone into at all and the views of the parties on other points had not been discussed in any detail. Nevertheless agreement had been reached, or differences narrowed down, on numerous problems connected with the common tariff, the position of Commonwealth countries and the British agricultural system. Resumption of the negotiations would depend, as regards a number of important points, on the Community countries reaching agreement in various sectors—in agriculture, for example, on financial arrangements and the market organizations for dairy produce, sugar, rice, etc.

After a detailed debate on this report Parliament passed a resolution in which it confirmed its wish that the United Kingdom and other countries join the European Communities, provided that their accession would not call into question either the integration process or the material provisions and institutional structures of the Treaties of Rome and of Paris. The Community was called upon to assume all the responsibilities falling upon it both as regards the economic and social progress to be made within the Community and as regards relations with non-member countries.

Between March 1963 and November 1966 the problem of Britain's accession to the Communities did not come up for discussion. On 10 November 1966, however, Mr. Harold Wilson, British Prime Minister, brought up the subject again before the House of Commons and subsequently, on 23 January 1967, in a speech before the Consultative Assembly of the Council of Europe. On 2 May 1967 Mr. Wilson announced in the House of Commons that his Government had decided to apply for admission to the three European Communities. The European Parliament immediately took note of this intention and on 10 July 1967 passed a resolution in which it :

'Hopes that negotiations will proceed in an atmosphere of mutual frankness and understanding enabling the problems involved to be quickly resolved;

Is convinced that the United Kingdom's membership of the European Communities, in accordance with the spirit of the Treaties of Paris and Rome, will help to strengthen these Communities and make for subsequent progress towards the political union of the peoples of Europe.'

passed the above resolution, the British Government officially submitted an application for EEC membership under Article 237 of the Treaty. On the following day it applied for membership of the ECSC and Euratom. Ireland and Denmark immediately followed Britain's lead and submitted their applications. At a summit conference held in Rome on 29 and 30 May 1967 the Heads of State or Government briefly discussed the British, Irish and Danish applications and agreed that, pursuant to the Treaties, these applications should be dealt with by the Council of Ministers. On 21 June 1967 Parliament passed a resolution welcoming the positive outcome of the conference, particularly the decision to start up the Treaty procedure for examining the British, Irish and Danish applications. It went on to express the hope that the negotiations on the accession of the United Kingdom and the other democratic European States would be pursued with vigour and with a determination to bring them swiftly to a satisfactory conclusion.

On 21 July 1967 Norway also applied for membership of the European Communities.

In September 1967 Parliament resumed discussion of the four applications on the basis of a statement made by the President of the European Communities. The President informed Parliament that the Commission was on the point of giving its opinion, as requested by the Council, on these applications. He believed the Commission would support them in principle, provided that enlarging the Communities did not sap their strength or dynamism. The four political groups endorsed this summing-up of the position, and expressed the hope that negotiations would be speedily started up, particularly with the United Kingdom.

Problems of association

The Treaties of Paris and Rome provide for the possibility of a non-member State, a union of States or an international organization becoming associated with the Communities (Article 14 of the Convention containing the transitional provisions of the ECSC Treaty, Article 238 of the EEC Treaty and Article 206 of the Euratom Treaty). Such an association embodies reciprocal rights and obligations, joint actions and appropriate forms of procedure. Association agreements have to be concluded by the Council by a unanimous decision and after consulting the European Parliament.

It was in the light of these Treaty provisions that the European Parliament tackled the applications for association submitted by Greece and Turkey. The first point covered was that of procedure. On 17 October 1960 Parliament urged that association agreements with Greece and Turkey be rapidly concluded, and asked that it be consulted in good time, in accordance with the terms of the Treaty, so that it could formulate its views on their contents.

In January 1962 Parliament debated the political and institutional aspects of association with the Community. It was pointed out that, in view of the many forms association could take under Article 238 of the EEC Treaty, it was difficult to define the nature of association in general terms. This did not however detract from the political and economic importance of the decision of a non-member country to become associated with the Community, or of the Community's decision to conclude an association agreement with a non-member State. Facilities for entering into association were to be confined to European States or countries geographically linked with Europe. This restricted the scope of association under Article 238 of the Treaty, which was unlimited in the geographical sense. The association with the African States would have to remain an exception arising from a special Community obligation. Formal association agreements ought not be concluded with other countries; only, at the most, special agreements for economic co-operation which would serve their legitimate economic interests. Association itself should be mainly reserved for countries whose state of economic development prevented them from directly assuming the obligations of accession but which none the less displayed the political will to become full members. Association was thus to be regarded as a stepping-stone to eventual membership. Customs union was the minimum that association should entail; this, of course, ruled out a free trade area. Moreover, even customs union involved recognition of the basic principles of economic union, in the absence of which the balanced competition between the Community and the associated State could not be maintained. For European countries which, for political reasons, would not consider association as a first step towards accession, the answer could be a trade agreement as provided for in Article 113. At institutional level, Parliament proposed setting up a joint association council and parliamentary contacts between itself and the Parliament of the State concerned.

On 8 June 1959 Greece applied for association with the EEC under the terms of Article 238 of the EEC Treaty. The EEC Council of Ministers received this request on 25 July 1959. Discussions began in September 1959 and were concluded on 9 July 1961 with the signing of an association agreement in Athens. This came into force on 1 November 1962. The European Parliament which—in a resolution of 17 October 1960—had expressed the hope that negotiations with Greece would soon be brought to a successful conclusion—studied the Association Agreement in the light of Article 238 of the Rome Treaty, under which Parliament had to be consulted, in September 1961, that is, *after* the signing of the agreement. At the close of the debates on 19 September 1961 it passed two resolutions. In the first it pointed out that consultation of Parliament under Article 238 of the Rome Treaty would have served its real purpose had it taken place *before* the Council of Ministers signed the agreement, and took exception to this violation of the Treaty. It expressed the hope that it would never again be placed in such a position, in which eventuality it would feel free to act as it thought fit.

In the second resolution Parliament underlined the political importance of this first association, which clearly reflected the outward-looking character of the European Community. On the institutional side, Parliament noted that the Association Agreement left the door open for accession at a later date, and approved the setting up of the Association Council. It proposed the creation of a Parliamentary Committee for the Association with Greece consisting, in equal numbers, of members of the Greek and of the European Parliament. This should discuss all questions arising from the Association Agreement, and particularly an annual report to be submitted by the Association Council. Finally Parliament called upon the Association Council, in accordance with Article 71 of the Association Agreement, to take all appropriate steps at its first meeting to set up this committee in co-operation with the European and the Greek Parliament.

In March 1962, pursuant to this resolution, the European Parliament appointed a delegation to visit Greece for the purpose of contacting representatives of the Greek Parliament and discussing with them the problems of setting up a joint parliamentary association committee. In the course of a visit to Athens complete agreement was reached between the delegation and Greek parliamentarians.

In October 1962 Parliament passed a resolution proposing that the Parliamentary Committee for the Association with Greece should consist of 14 members of the Greek Parliament and 14 members of the European Parliament and that it would debate any problem concerning the implementation of the Athens Agreement, particularly on the basis of an annual report submitted to it by the Association Council.

The Committee was set up and held its first meeting on 6 and 7 June 1963 at which it drew up a recommendation in which it announced its intention of helping to ensure that the Association made progress in every sphere, thus opening the way for Greece to become a full member of the Community as soon as possible. Parliament endorsed this recommendation on 15 October 1963.

Since its creation the EEC-Greece Joint Parliamentary Committee has discussed three annual reports on the activities of the Association Council. It gave its opinion on the way the Association Agreement was being applied, made several recommendations and noted that relations between the Community and Greece had progressed and generally improved. The texts adopted by the joint EEC-Greece Parliamentary Committee were submitted to the European Parliament, which endorsed them. On 2 December 1966 Parliament passed a resolution in which it noted that application of the Association Agreement had led to a general improvement in relations between the Community and Greece, but expressed concern at the increase in Greece's balance of trade deficit. It called upon the Community to help in modernizing and adjusting economic structures in Greece so as to ensure greater diversification of its exports, welcomed the studies being carried out with a view to setting up industrial development poles in Greece, and expressed the hope that financial aid and private investment would be stepped up. Parliament considered that the harmonization of the Community's and Greece's agricultural policies would help in modernizing the structure of Greek agriculture. It hoped that a Community tobacco policy would soon be worked out, with due regard to Greece's needs in this sector. Technical assistance to Greece in the fields of manpower and occupational training should be continued without delay. Greek workers resident in Community countries should be given the same working conditions and social protection as other workers of the Community. Finally, Parliament urged the Community to promote co-ordinated action to organize the more vulnerable markets of the Mediterranean area.

Following the military coup which occurred in Greece on 21 April 1967, the European Parliament passed a resolution on 11 May 1967 in which it :

'Notes that the various stages of the Association Agreement between the EEC and Greece, which provides for eventual Greek accession to the Community, cannot be implemented unless democratic structures, political freedom and freedom for trade unions are restored in Greece;

Considers that the current absence of elected institutions in Greece makes it impossible for the EEC-Greece Joint Parliamentary Committee, an institution essential to the proper working of the Athens Agreement, to function;

Considers therefore that the Association Agreement cannot really operate until a delegation from the Greek Parliament again takes part in the meetings of the Joint Parliamentary Committee;

Consequently hopes that Greece will soon revert to its normal democratic and parliamentary life;

Emphasizes the absolute necessity of respect for the European Convention for the Protection of Human Rights and Fundamental Freedoms, to which Greece is a signatory;

Urges in particular the immediate restoration of normal personal guarantees for political detainees.'

Turkey

On 31 July 1959 Turkey applied for association with the EEC under Article 238 of the EEC Treaty. The Council received the application on 11 September 1959. Discussions began in the following December and were concluded on 12 September 1963 with the signing of an Association Agreement in Ankara. This came into force on 1 December 1964

Parliament, which in two resolutions—first on 17 October 1960 and then on 27 March 1963—had expressed the hope that the negotiations with Turkey would be speedily brought to a successful conclusion—was consulted by the Council of Ministers on the agreement but only after it had already been signed—a repetition of what had occurred in the case of the Association Agreement with Greece. In order not to cause any harm to Turkey, the European Parliament confined itself to protesting at the procedure followed. In a resolution passed on 28 November 1963 it deplored the failure

of the Council of Ministers to consult it before the agreement had been signed, observing that, as a result, its opinion had been of no effect since it could no longer influence the outcome of the negotiations. Parliament added that it would not countenance such a procedure on future occasions, and voiced a wish to reach agreement with the Council as to how Article 238 should be interpreted to ensure effective consultation of Parliament. Turning to the economic and financial provisions of the Association Agreement, Parliament :

‘Notes that the Association with Turkey is planned on the basis of a customs union which, on the lines of that provided for by the EEC Treaty, includes a number of features of a wider economic union;

Notes that the economic, financial and social situation of Turkey has necessitated an agreement of a specific nature;

Recognizes the need for a preparatory phase to precede the transitional phase during which the customs union and certain features of an economic union will be gradually introduced;

Trusts that during this preparatory phase all appropriate steps will be taken to strengthen the Turkish economy and prepare it for the customs union;

Welcomes the financial assistance to be given to Turkey under the Agreement, and hopes that in making the loans the various institutions concerned will ensure that credits are utilized within the framework of Turkey’s development plan.’

As regards the institutional aspects of the Association, Parliament pointed out that the Association Agreement made provision for subsequent accession, and that it was essential for the satisfactory running of the Association to set up a parliamentary committee composed of equal numbers of European and Turkish parliamentarians. Finally, it called upon the Association Council to take the necessary steps to facilitate co-operation between the European Parliament and the Turkish Parliament.

The European Parliament further pointed out that the form and content of the Association Agreement were justified by the special situation of the Turkish economy and could not therefore under any circumstances be regarded as a precedent for subsequent agreements.

At the invitation of the Turkish Government a delegation of the European Parliament visited Turkey from 20 to 27 April 1965.

In its report to Parliament on this visit the delegation stressed the importance of the Association for the economic development of the country because it provided for co-operation not only in the economic but also in the scientific and cultural spheres. It drew attention to Turkey's efforts to build up its economy and raise its standard of living. The delegation proposed the creation of an EEC-Turkey Joint Parliamentary Committee, a suggestion endorsed by the Turkish Parliament. On 14 May 1965 the European Parliament passed a resolution in which it decided to set up a Joint Parliamentary Committee consisting of 15 members appointed by the Grand National Assembly of Turkey and 15 members appointed by the European Parliament from its Committee for Associations. The EEC-Turkey Joint Parliamentary Committee would discuss any problems concerning relations between Turkey and the EEC, particularly on the basis of an annual report to be submitted by the Association Council.

The EEC-Turkey Joint Parliamentary Committee has mainly concerned itself with the annual reports on the activities of the Association Council. The Committee's recommendations on these reports were approved by the European Parliament, which noted that the Association was operating satisfactorily.

Association of other democratic countries

In March 1963 Parliament concerned itself with the applications for association submitted in December 1961 by Austria, Sweden and Switzerland. It passed a resolution calling for a speedy opening or resumption of negotiations, particularly with Austria. It expressed the hope that the negotiations would give the neutral countries sufficient insight into problems of integration to bring home to them the serious difficulties besetting a simple free-trade area and the impracticability even of a customs union if unaccompanied by a common policy in certain sectors, e.g. a commercial policy.

* * *

On 9 February 1962 Spain asked for negotiations to be opened to establish the most appropriate links between it and the Community. On 14 February 1964 the Spanish Government renewed its request. At its session of 1 to 2 June 1964 the EEC Council of Ministers asked

the Commission to start up talks with the Spanish Government, to study the economic problems presented to Spain by the development of the EEC and to try to find ways of dealing with them. In June 1964 Parliament dealt with an oral question, addressed to the EEC Commission, in which the Socialist group rejected any possibility of Spanish accession or association because of the basically anti-democratic character of the country's régime. The EEC Commission, on the other hand, stressed the technical aspects of the talks with the Spanish Government and hoped that the proposals it would put forward at the end of the talks would be unanimously approved by the Council.

The talks initiated on 9 December 1964 between the EEC and Spain are still in progress. On 10 May 1967 the European Parliament passed a resolution on this subject observing that relations with Spain and other European countries in a similar situation ought to be looked into more closely.

The common commercial policy

The outward-looking character of the European Economic Community is reflected in the determination expressed by the member States in the EEC Treaty to pursue a common commercial policy of a liberal nature. Article 3, b of the Treaty requires the Community to establish a common customs tariff and a common commercial policy towards third countries for the purposes set out in Article 2 —namely, promotion throughout the Community of a harmonious development of economic activities; continuous and balanced expansion; increased stability; an accelerated raising of the standard of living; and closer relations between EEC member States. The readiness to contribute to the development of international trade, and therefore of trade between member States and third countries, is reaffirmed in Articles 18 and 29. Article 110 is even more explicit :

'By establishing a customs union between themselves member States aim at contributing, in the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international trade and the lowering of customs barriers.'

The EEC has remained true to these principles. In the period
130 1955-1965 its imports from non-member countries rose by 109 per

cent, as compared with a rise of only 83 per cent in world imports. None of the member States can therefore be suspected of protectionist or autarchic tendencies. On the contrary, the Community must be regarded, rather, as a low-tariff area.

Despite these successes, it must be emphasized that little progress has been made in applying Article 111,1 of the EEC Treaty, which requires member States to co-ordinate their commercial relations with third countries, so as to bring about, by the end of the transitional period, the conditions necessary for the implementation of a common policy in the field of external trade. It was precisely for this reason that the European Parliament decided to discuss the problems of a common commercial policy towards third countries on 27 March 1963. At the close of the debate it passed a resolution in which, after expressing regret that the Council had not waited for Parliament's Opinion before taking its decision, it asked to be consulted in good time on all trade policy measures which the EEC Commission or the Council considered taking. In addition it urged that a common trade policy be drawn up before the end of the transitional period, as the operation of the Community would suffer if the settling of internal policies was not accompanied by the adoption of a common approach in relations with non-member countries.

As regards the common commercial policy, Parliament wanted this to be on liberal lines, 'aimed not only at removing existing obstacles but at increasing trade between the EEC and the rest of the world, at the same time striking a balance between the Community's internal interests and any interests of non-member countries that may clash with them.'

In discussing Community policy in the face of the major problems of the development of world trade in the course of an exchange of views with the Councils and the Executives on 26 and 28 November 1963, the political groups in Parliament urged that Article 110 of the EEC Treaty be applied widely and effectively in view of the delay in drawing up a common commercial policy. They felt that the Council had given the Commission too narrow a mandate to co-ordinate commercial policies because member States had not been expected to show much readiness in this respect.

In February 1964 the EEC Commission referred a series of proposals to the Council; this, however, took no decision. On 26 March 1965 Parliament therefore passed a resolution on the gradual introduction of the common commercial policy. It regretted that the

Council had not taken any decision on the Commission's proposals and urged the Council of Ministers to shoulder its political responsibility by adopting these proposals. Parliament welcomed the Commission's proposals on Japan, the State-trading countries and the protection of trade. It called on the Commission to submit proposals, in the course of 1965, on quotas, export aids and the promotion of exports, standardization of export restrictions and the conversion of bilateral agreements into Community agreements, and to lay before the Council as speedily as possible a timetable for the various measures. In Parliament's view, the Community's commercial policy would have to be harmonized during the transitional period and the question of procedure and of what should be included in the common commercial policy dealt with at the same time. In view of the close interrelation between the common commercial policy and economic and cyclical policy the Community institutions and member Governments would have to ensure smooth economic development within the Community. The gradual conversion of existing national quotas into Community quotas should be put in hand during the transitional period. Harmonization of commercial policies vis-à-vis Japan was a matter of urgency, and the stipulation of a common safeguard clause of prime importance. Equally indispensable was trade protection at Community level not only against dumping practices that distorted competition but also against the wide range of abnormal practices of non-member countries. Parliament was convinced that an active commercial policy could now only be successfully pursued by the Community as a body and not by individual member States.

GATT

Article 229 of the EEC Treaty requires the Commission to ensure the maintenance of all appropriate relations with the organs of the General Agreement on Tariffs and Trade. This clause proves beyond a shadow of doubt that the Treaty of Rome is reconcilable with the GATT provisions on customs unions and the resulting difficulties for non-member countries (common external tariff). This problem has moreover resolved itself through the successful outcome of numerous tariff negotiations between the EEC and various GATT signatories.

On 26 June 1962 the European Parliament went into all the
132 problems posed for the EEC by the existence of GATT. In an ensuing

resolution it welcomed the fact that nearly all members of GATT had recognized the EEC's customs tariff. It regretted that the Dillon Round on tariff cuts had had only limited results, a circumstance it attributed to the method of negotiating product by product. It stressed that the Community had shown a liberal attitude in offering a 20 per cent across-the-board cut in its common external tariff, and expressed the hope that negotiations, in which the United States would also take part, would soon be started up with a view to liberalizing world trade on a larger scale. Finally Parliament called on the Council and on member Governments to strengthen the powers of the EEC Commission in the field of the common commercial policy.

In March 1963 Parliament welcomed the U.S. proposal for tariff negotiations to be held in GATT on a 50 per cent across-the-board cut in customs duties. It felt, however, that distortions in the terms of competition and the resulting dislocations of the market should be simultaneously removed or prevented. Once again Parliament pressed for wider negotiating powers for the Commission.

The first meeting of GATT Ministers was held in Geneva from 16 to 21 May 1963 for the purpose of preparing for the Kennedy Round which was scheduled for May 1964. On 28 June 1963 the European Parliament discussed the results of this conference which, by abolishing trade barriers, could give a powerful boost to world trade. Parliament welcomed the adoption of the across-the-board method and recognition of the need to deal with the problem of tariff disparities and exceptionally high duties. It felt that quasi-tariff and non-tariff measures should also be brought into the discussion. While recognizing the need to bring agricultural products within the scope of the negotiations, it demanded that the principles of the common agricultural policy be respected. Parliament went on to express the hope that the negotiations would make it possible to reorganize the world market in farm products and welcomed the intention to encourage exports from the developing countries and to abstain from insisting on strict reciprocity as to concessions. As regards preparations for the Kennedy Round within the Community, Parliament felt that the Community should appear as one body in these negotiations. This itself would call for careful preparation. The Commission was already empowered, under Article III,2 of the Treaty, to conduct international tariff negotiations, but in view of the special nature of the Kennedy Round, which went beyond the scope of tariff policy and commercial policy, the negotiating man-

date to be given to the Commission ought to be prepared in good time and the Commission be given adequate room for manoeuvre.

On 23 December 1963 the Council laid down the terms for the Commission's participation in the Kennedy Round. In January 1964 Parliament studied a report on the main aspects of this mandate. The report observed that the Council's decisions would enable the EEC Commission to play an effective part in the negotiations. It drew attention to the margin permitted in negotiating customs disparities so as to enable customs duties to be approximated. The Kennedy Round—it was hoped—would help solve the problem of the economic division of Western Europe. The report also dwelt on the danger to the Community if it embarked on the negotiations before the Council had rounded out the common agricultural policy and—even more important—fixed the cereals price. The EEC Commission was asked to take the initiative concerning non-tariff trade barriers, and to consult representatives of trade and industry in the Community on the likely effects of the tariff cuts. Finally the report stressed the need for basing liberalization on strict reciprocity as between economically advanced countries, and on one-sided benefits and special concessions to the developing countries.

The Kennedy Round opened in May 1964. In March 1965, during a debate on the common commercial policy, Parliament stressed the importance of the Kennedy Round for trade relations between industrial countries and welcomed the contribution made by the Community to its success in promptly submitting an exceptions list for industrial products. It further welcomed the agreement reached on the European cereals price and the Community's proposal to negotiate world agreements on the basis of the amounts of support given to agricultural products. The Council was urged to take decisions on trade protection since the lack of any common legislation in this sector weakened the Community's position in the Kennedy Round. The strained relations between the EEC and EFTA would not be eased through tariff cuts alone. In this connexion the United Kingdom's decision to introduce a special duty shortly before a further liberalization of trade was deeply regretted.

The Kennedy Round—brought to a halt by the Community crisis—was concluded on 15 May 1967, but the texts of the agreement were not finalized until 30 June 1967. On 21 June 1967, however, Parliament—on learning from the EEC Commission that tariff cuts could average between 25 and 40 per cent in the industrial sector, and that

in the agricultural sector all that had been achieved was a world cereals agreement—passed a resolution in which it (i) stressed the political importance of the fact that the negotiations had been conducted by the Community as such; (ii) noted that the results of the negotiations had removed the threat to European co-operation implicit in the co-existence of the EEC and EFTA; (iii) regretted that the negotiations had not culminated, in the agricultural sector, in the conclusion of the expected world agreements on certain major products, and hoped that negotiations on these agreements would be resumed; (iv) asked the Council and the Commission to do their utmost, during the final phase of the negotiations, to achieve better results.

In November 1967 Parliament discussed an oral question with debate, addressed by its Committee on External Trade Relations to the Commission of the European Communities, on the results of the Kennedy Round and on the economic implications of the undertakings given by the EEC during these negotiations. In its reply the Commission stressed the positive results achieved in the Kennedy Round in the industrial sector (tariff cuts of between 35 and 40 per cent). Two general agreements had been concluded in the agricultural sector, one on cereals and the other on food aid, and one-sided concessions had been made to the developing countries. As regards the chemical industry, the results of the Kennedy Round depended on the concessions still to be made by the U.S. Congress in the matter of the *American Selling Price*. The Commission warned against the threat presented to the Kennedy Round by a number of U.S. bills of a protectionist nature. In a resolution Parliament noted that the Commission had not yet finally reviewed the results of the Kennedy Round. It welcomed the Commission's comments on current protectionist trends in the United States. The European Communities would have to do all in their power, jointly with political and economic forces in countries responsible for world trade, to hold back any attempt to revert to national protectionist policies.

Commercial policy towards State-trading countries

In March 1963, in the course of a searching debate on the EEC's common commercial policy towards non-member countries, the European Parliament also discussed commercial relations with State-trading countries. In a resolution it underlined the complex

and, politically, highly delicate nature of relations with such States, and welcomed the Commission's intention to aim, in their case too, at a steady expansion of trade. For this purpose the Community must be able to call on the appropriate common instruments to deal effectively with any dumping or other measures practised by these countries that would have a disturbing influence on the market.

In a debate held in May 1965 on a report by the External Trade Committee, Parliament returned to this problem. It had been pointed out in the report that the State-trading countries were adopting a more open attitude towards the Community. Parliament called upon member States to co-ordinate their commercial policies towards these countries in accordance with the Treaties, while observing the following principles : (i) all trade agreements should contain an 'EEC clause' permitting the competence of the signatory State to be made over to the Community at the end of the transitional period; (ii) trade agreements should not extend beyond the transitional period and must be compatible with the future commercial policy; (iii) the agricultural quotas in force on 24 January 1963 must be fixed anew to a level corresponding to 100-120 per cent of average imports during 1960 and 1961.

Specific trade agreements of the Community

On 14 October 1963 the EEC concluded a trade agreement—the first of its kind with a non-member country—with the Government of Iran. This came into force for a period of three years on 1 December 1963. In a resolution passed in March 1964 Parliament expressed satisfaction that the agreement had been concluded by the Community procedure laid down in Articles 111, 114 and 228 of the EEC Treaty; protested at the absence of any indication of the provisional nature of the apportionment of the quota among the member States; regretted that the quota had been divided into national quotas administered by the national authorities; and hoped that the system finally adopted regarding the tariff quota granted to Iran would be of a truly Community character.

On 20 July 1961 Israel applied for association with the Community. Exploratory talks began in May 1962. The Council of Ministers felt, however, that association was not at the moment practicable although a trade agreement could be considered. Negotiations on this were started up in November 1962. In March of the following year

Parliament expressed the wish that negotiations on association or the conclusion of a special agreement with interested States, especially Israel, should be opened up or pushed ahead with.

As the drawn-out negotiations were again and again interrupted, Parliament passed a resolution in January 1964 in which it stressed the special political and economic importance of relations between the EEC and Israel and called for the speedy conclusion of a non-preferential trade agreement as a first step towards a free trade area.

On 27 April 1964 agreement was finally reached on a three-year trading agreement. Parliament described this as the initial stage of the commercial and economic relations between the parties, and expressed satisfaction that the agreement had been concluded in accordance with Community procedure. It hoped that there would be expanding outlets for Israeli agricultural products such as eggs and oranges, and thought it essential to ensure that no provisions discriminating against Israel were included in future agreements with non-member countries.

In October 1964 a delegation of the European Parliament paid a visit to Israel, at the invitation of the President of the *Knesset*, to study the position on the spot. Following this visit, the External Trade Committee made a deeper study of the relations between the EEC and Israel in an interim report which was discussed by Parliament in March 1965. In a resolution Parliament expressed the view that the presence of the Community in that part of the Mediterranean area would make for peace and that the association of Israel in accordance with Article 238 of the Treaty was therefore desirable. Parliament again emphasized that any agreements with other orange-exporting countries must contain no clauses that would discriminate against Israel. The aim should rather, it considered, be to introduce an overall organization of production and trade in citrus fruit in the Mediterranean area. The EEC Commission was asked to support greater Community participation in Israel's industrial development.

Israel submitted a further application for association on 4 October 1966. At its session of 6 to 7 December 1966 the Council asked the Commission to start up exploratory talks, which in fact were held the following month. In view of the events that occurred in the Middle East in early June 1967, Parliament passed a resolution on 22 June urging that negotiations on an association agreement between the Community and Israel be speeded up.

On 21 May 1965 an agreement on trade and technical co-opera-

tion was signed by the EEC and its member States, on the one hand, and the Lebanese Republic on the other. The European Parliament welcomed the agreement which it hoped would help to improve relations between the Arab countries and Israel. It again stressed that the problems facing the Mediterranean could only be solved within the context of a general arrangement covering all the countries concerned, and that this in turn depended on the Community's having a clear-cut commercial policy.

Problems of the developing countries

The European Parliament devoted a great deal of attention to the problems of the developing countries, a field in which it may be considered to be blazing the trail. This is borne out by the positions it took up on behalf of the Associated African and Malagasy States. Over and beyond this, however, it has kept close track of the general development problems of other countries and regions such as India and Latin America.

United Nations Conference on Trade and Development

The UN Conference on Trade and Development held in Geneva from 22 March to 15 June 1964 offered Parliament an outstanding opportunity of concerning itself with development problems. Its members had already asked that the EEC should gear its commercial policy, by stabilizing raw material prices and cutting back duties on tropical products, to the economic development of developing countries in Africa, Asia and Latin America. During talks held with the Councils and Executives in November 1963 on the Community's policy towards the major problems of the development of world trade, the political groups in Parliament defined the aims to be pursued at the Geneva Conference as follows: (i) raising the peoples' living standards by developing the economy; (ii) expanding exports; (iii) improving and stabilizing prices and liberalizing the commercial policies of industrial countries, in the case not only of primary commodities and semi-manufactures but also of finished products.

The Geneva Conference opened on 22 March 1964. On 25 March Parliament passed a resolution expressing its conviction that balanced development of international trade could play a crucial part in the maintenance of world peace. Moreover, any improvement in the

trading position of the developing countries was in the interest of the more economically advanced countries. Parliament asked the Community institutions and the Governments of member States to ensure that the EEC Commission took a direct part in the work of the Geneva Conference in the name of the Community. It felt that the Community should pursue the following aims : (i) creation of a world-wide market organization for the widest possible range of primary commodities; (ii) stabilization of world agricultural markets; (iii) abolition by the member States of direct taxes on tropical products such as tea, coffee, cocoa etc.; (iv) abolition of quantitative restrictions on semi-manufactures and finished products, and the introduction, for these products, of preferential tariffs to be granted by the industrial countries to the developing countries; (v) improved marketing of the developing countries' products.

Commenting on the results of the Conference, Parliament regretted that the Community had not participated in the negotiations as a single unit. Only close co-operation between the countries of the West could serve to improve the trading position of the less economically advanced countries.

With an eye on the second session of UNCTAD to be held in New Delhi in the spring of 1968, Parliament called for a common policy which would enable the Communities to play their full part in the solution of the immense development problems facing the world.

In June 1967 Parliament discussed the results of the Kennedy Round and asked the Commission and the Council to take measures without delay to enable the EEC to propose, during those negotiations, effective remedies that would promote the economic progress of the developing countries while taking full account of the interdependence of trade and aid.

A common policy towards Latin America

The European Parliament has always kept close track of the problems of Latin America. In June 1963 it endorsed the proposals made by the EEC Commission the previous January for the creation of a contact group between the Commission and accredited representatives of the Latin American countries, and the framing of common policies on trade, finance and technical co-operation.

Between 27 February and 17 March 1964 a delegation from 139

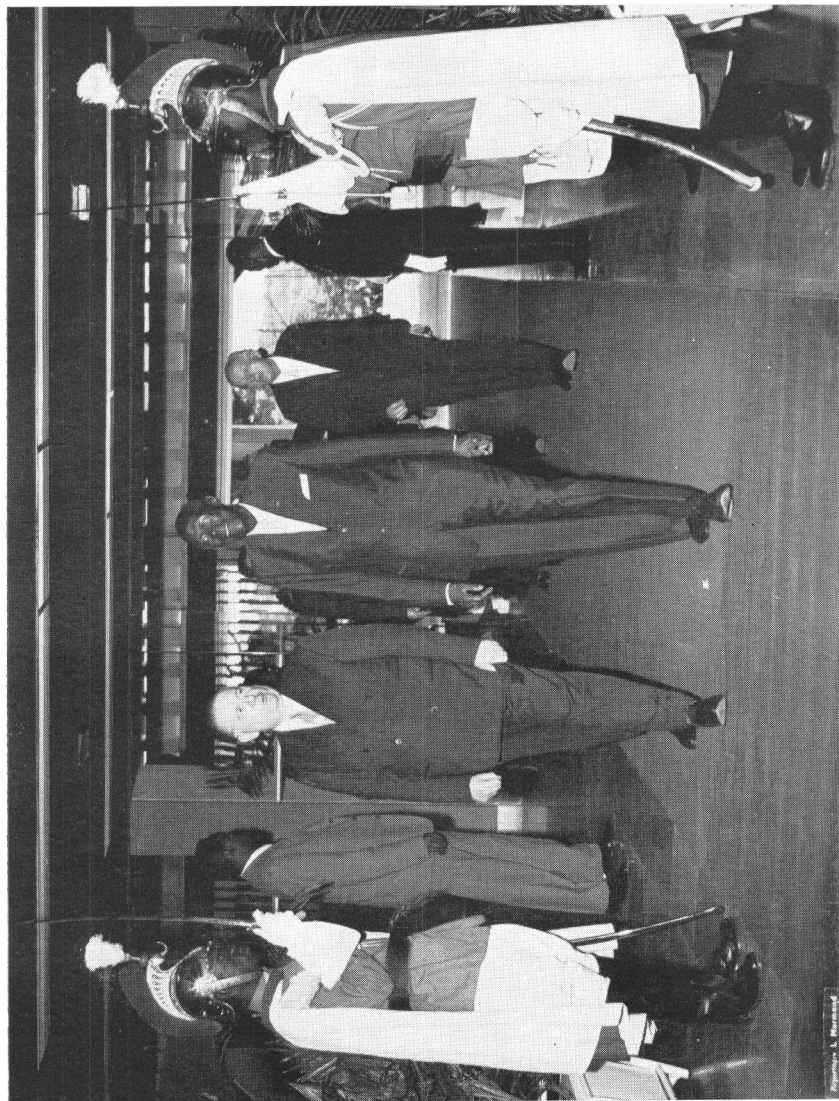
Parliament visited various Latin American States. The results of the visit were reviewed on 26 November 1964 by Parliament which regretted the fact that the Council of Ministers had not accepted the Commission's proposals of January 1963.

In May 1965 the EEC Commission, replying to an oral question regarding relations between the EEC and Latin America, explained that the dialogue with the Latin American countries would be continued in GATT and UNCTAD, and that talks with the Latin American ambassadors had been resumed.

Aid for India

In its efforts on behalf of the developing countries Parliament concerned itself particularly with the problems facing India. In a resolution passed in November 1965 it called for action by the Community to stimulate economic and social development in India, and asked the EEC Commission to enter into bilateral negotiations with the Indian Government with a view to expanding trade between that country and EEC member States.

In view of the famine that struck India in the winter of 1966, the four political groups of Parliament urged the EEC Commission to take steps to ensure that essential food supplies were made available to India as rapidly as possible.



A. Poher and L. Gueye, Presidents of the Parliamentary Conference of the Association,
in Abidjan, December 1966

Agence France Presse



VIII

The Association with the African and Malagasy States

THE ASSOCIATION BASED ON THE EEC TREATY: 1958-1962

Antecedents

At the time the Rome Treaties were being negotiated a relation of dependence existed between certain overseas countries and territories and a number of future member States of the Community. These constitutional links, which in some cases went as far as integration, were a reality which the Six could scarcely ignore in pooling their resources and harmonizing their economic and social policies.

A long historical, cultural and economic solidarity was a compelling argument for a partnership. The economies of the future partners proved to be largely complementary, for industrialized Europe needed sales outlets and raw materials and it was, after all, only fair that the Common Market should offer suitable benefits to offset the loss of the preferential treatment till then accorded by the one-time mother countries to tropical products.

It would indeed have been intolerable if new relations had been created in Europe at the expense of these overseas countries. To have excluded them from the construction of the Community would have meant, in the long run, allowing trade patterns to become distorted under the influence of traditional bilateral relations. To have placed them on an equal footing with the Community countries would have

been even worse as it would have meant exposing highly dissimilar structures and economies to competition from each other. This state of affairs was a crucial factor in the framing of Part Four of the Treaty establishing the European Economic Community in whose Annex IV the overseas countries and territories⁽¹⁾ are listed.

As stated in the Preamble to the Treaty, the purpose of entering into association with these countries was to strengthen the links which bind Europe and overseas countries and to ensure the development of their prosperity in accordance with the principles of the Charter of the United Nations. This allusion to the UN Charter already foreshadows the development of these countries towards independence.

According to Articles 131 ff. of the Treaty and the Implementing Convention, the machinery of the Association comprises two kinds of provisions :

- (a) provisions relating to trade and the right of establishment for the purpose of gradually setting up a free trade area intended to open up new trade outlets for the overseas countries;
- (b) provisions relating to financial aid and particularly to the Development Fund for the overseas countries and territories, described in the Implementing Convention as 'measures suitable for the promotion of social and economic development.'

Thus 581.25 million units of account,⁽²⁾ paid into the Development Fund by the member States over a period of five years, had to be apportioned among the various financing projects—30 per cent at the most for 'social projects' (hospitals, educational and occupational training establishments, etc.) and 70 per cent for economic investments of general interest directly connected with the execution of a programme for specific and productive development projects.

These financial provisions also applied to the French overseas departments and Algeria, to which certain other parts of the Treaty found application so that, in some respects, they were treated on an equal footing with the member States.

(¹) French West Africa including : Senegal, Sudan, Guinea, Ivory Coast, Dahomey, Mauritania, Niger and Upper Volta;
French Equatorial Africa including : Middle Congo, Ubangi-Shari, Chad and Gaboon;
St. Pierre and Miquelon, the Comoro Archipelago, Madagascar and dependencies, the French Somali Coast, New Caledonia and dependencies, the French Settlements in Oceania, the Southern and Antarctic Territories;
The autonomous Republic of Togoland;
The French Trusteeship Territory in the Cameroons;
The Belgian Congo and Ruanda-Urundi;
The Trusteeship Territory of Somalia under Italian administration;
Netherlands New Guinea.

In its firm historical foundations, its unrestricted duration, the close links it fashioned and its freedom from political ties, the Association held impressive trump cards as it entered upon the first five-year period of its activities.

Parliamentary solutions

European parliamentarians had shown interest in the idea of association long before the conclusion of the Rome Treaties. For example, the Common Assembly of the ECSC, the forerunner of the European Parliament, had urged, in a resolution on the framing of the EEC and Euratom Treaties dating back to 1956, that adequate counter-concessions be accorded to the overseas territories. In a resolution passed in 1957 on the ECSC's commercial policy the Assembly voiced its disapproval and astonishment at the fact that certain fears were being expressed about 'the risks of including the overseas territories in the Common Market.'

Only after the EEC Treaty had come into force could there be any question of co-ordinated parliamentary activities, and even then only in a severely restricted field. Apart from the right to be consulted prior to the conclusion of an association agreement, Parliament acquired no institutional powers whatsoever under the Treaty to step in directly in the sphere of association.

It availed itself to the full, however, of any facilities it possessed under the Treaty, and by virtue of parliamentary tradition, to exercise democratic control over this enlarged Community and to imbue it with its own political drive.

The constituent meeting of the parliamentary committee concerned, known at that time as the Committee for Associations, took place in March 1958. Its members included the existing President of the Republic of Niger, Diiori Hamani, then member of the French National Assembly. Such a circumstance—by no means an isolated one—reflected the European Parliament's oft-repeated wish for the presence of African parliamentarians in its midst, and foreshadowed in a symbolic if imperfect way the co-operation which was to take place once the new Associated African and Malagasy States had gained their independence. During the first year of the five-year period the Committee held numerous talks with the EEC Commission on the general work programme of that institution and on the gearing of its activities to the timetable laid down in the Treaty. It also drew

up a programme of study missions, the first of which took place the following year. A delegation from Parliament went on a study and fact-finding mission to Central Africa where it carried out an on-the-spot investigation into the economic and social problems posed for these countries by the development of the Association. The many contacts established were also useful in putting African politicians in the picture and in preparing the ground for a proper dialogue.

The reports submitted to Parliament by the delegation stipulated a number of requirements which were later to be brought up again and again :

- (a) organization of financial and technical aid for the overseas countries and territories on increasingly collective lines;
- (b) swifter and more flexible operation of the Development Fund for the purpose of speeding up the development of agriculture and industry;
- (c) increased sales of tropical products and stabilization of their prices at a reasonable level;
- (d) a greater contribution to the improvement of social conditions : food, hygiene, education and occupational training;
- (e) working out the details of the right of establishment and, arising from this, of guarantees for private investments;
- (f) adaptation of methods to local conditions;
- (g) co-operation of African trade unions.

All these items were gone into more deeply during two further study missions arranged by the committee to the East Africa-Madagascar area and West Africa.

On the human plane, the representatives of the peoples of the Community saw to it that the EEC Commission came to the help of two countries hit by natural disasters—Madagascar in 1959 and Somalia in 1961. In addition they proposed—seven years ahead of a conference of developing countries held in Algiers—that a tax should be raised on behalf of the Associated States.

It was undoubtedly in the political field that Parliament achieved the most important results. Mention should be made of its constant appeals for direct participation of the Community's partners in the running of the Association. These paved the way to a reappraisal of the institutional system that linked Europe with Africa—a reappraisal made necessary by the rapid progress made by the overseas countries and territories towards independence. As far back as 1959 parliamentarians had stressed the equality of treatment that must charac-

terize an association which had been set up at the wish of the Six and in which no institutional rôle whatsoever had been assigned to their overseas partners. Since these, however, successively acquired their independence,⁽¹⁾ it became necessary, when renewing the agreement, to pass from a form of association based on the Treaty to one based on negotiations.

In 1960 Parliament again stressed the need for such a change, to which end it proposed that a Euro-African governmental conference be convened. It went further and set a good example by organizing a joint parliamentary meeting in Rome which was attended by representatives of sixteen Associated States. This meeting was the logical outcome of the contacts established in Africa and was intended to prepare the ground for an important conference to be held in Strasbourg. This, however, was preceded by a meeting of a joint contact committee in Bonn and preliminary talks by the African delegations in Owagadougou (Upper Volta).

The 113 African and Malagasy parliamentarians who met their European colleagues in Strasbourg were to open a new chapter in the history of parliamentary intervention in international relations. For the first time senators and representatives from two continents came together to discuss the relations existing between their countries or communities and to draw them even closer.

The aims pursued, and achieved, by the conference of the European Parliament with the Parliaments of the African and Malagasy States were to carry out a joint study—without in any way anticipating the negotiations—of the new conditions of association, to help the Governments to overcome their hesitations and to launch a real dialogue.

After a four-day debate, from which all ideological controversy was deliberately excluded, the parliamentarians unanimously voted four resolutions putting forward practical solutions to problems connected with renewing the Association and stipulating the following requirements :

(a) The establishment of three common institutions, namely, the

⁽¹⁾ In chronological order :

1958—Guinea;

1960—Cameroon, Togo, Senegal, Mali, Madagascar, Italian Somaliland, Belgian Congo, Dahomey, Niger, Upper Volta, Ivory Coast, Chad, Central African Republic, Congo-Brazzaville, Gaboon, Mauritania;

1962—Ruanda, Burundi.

Save for Guinea, which in leaving the French Community also abandoned the Association with the EEC, all these States elected to remain associated.

Association Council, the Parliamentary Conference and the Arbitration Court;

- (b) The extension of the new Association to the ECSC and Euratom;
- (c) Support for exports of tropical products by way of maintenance of preferential tariffs, abolition of internal charges, the grant of tariff quotas, establishment of market-regulating stocks, etc.;
- (d) A concrete educational and training programme and the assistance of European technical experts;
- (e) More flexible and rapid procedures for intervention by the Development Fund, and participation of the Associated States in its administration.

At its session of June 1961 the European Parliament endorsed the conclusions arrived at by the Conference.

Shortly afterwards the EEC Commission submitted to the Council proposals for the new system of association. In September of the same year Government representatives from twelve associated overseas States held a conference in Antananarivo. The conference formulated a number of proposals most of which were in line with those put forward in Strasbourg by the Euro-African parliamentarians.

The methods which would enable the parliamentary dialogue between Europe and Africa to stimulate the EEC Commission's activities and overcome the hesitations of the Governments were also clearly emerging. In the exercise of its powers Parliament was to supervise the way the Association was run and steer its development by continuing the work of the Strasbourg Conference, while the parliamentarians of the Associated States ensured that the results of the Conference were made known in Africa.

This systematic sharing of efforts contributed a great deal to the political renewal and institutional and practical modernization of the Association.

The emphasis lay, even more than on Parliament's action—for example, its support for the association of the Netherlands Antilles—on the results achieved at the Euro-African parliamentary meetings held in 1962 in Abidjan, Strasbourg and Antananarivo. The functions Parliament had itself assumed of serving as a channel led in most cases to its being given the task of giving effect to the results of these joint meetings. These results covered in the main the following points.

- (a) The adoption of transitional measures made necessary by the delay in signing the new Convention (appropriation of the 15 per cent reserve of the Development Fund for new investments,

- advances by the member States, retention of excess prices on the French market, etc.);
- (b) Implementation of trade and development policy activities, since the removal of customs barriers could not alone guarantee for the Associated States the steadily mounting income needed to finance their expansion;
 - (c) Safeguarding the interests of these States in formulating the common agricultural policy;
 - (d) Rational utilization of human energies which should not be geared exclusively to trade and investment;
 - (e) The framing of institutional and financial provisions safeguarding the autonomy of the future parliamentary organ of the Association.

These demands, like those earlier cited, had a successful effect on the drawing up of the Yaoundé Convention shortly to be considered.

Of course not all the parliamentarians' proposals were considered. Nor did the ratification procedure by any means meet the wishes of Parliament which, incidentally, was consulted after the event and would have preferred the procedure laid down in Article 238 of the Rome Treaty.

Nevertheless the action taken by the European Parliament, with the backing of the African and Malagasy parliamentarians, ensured effective democratic control over the implementation of the first five-year agreement and set the pattern for the negotiations on the second agreement. This was due both to the drive displayed by Parliament and the respect it showed for the principle of parity.

THE NEGOTIATED ASSOCIATION: 1964-(1969)

The new structures

The negotiations between the EEC, on behalf of the Six, and the eighteen Associated African and Malagasy States (AAMS) led to the conclusion of a Convention of Association which was signed in Yaoundé (Cameroon) on 20 July 1963 and came into force on 1 July 1964.

The Convention, concluded for a period of five years and based on the equality of rights of all signatory States, leaves each party the right to exercise its powers of decision and to withdraw from the Association subject to giving six months' notice. This co-operation

between sovereign States is reflected in the joint structure of its institutions.

In the economic sphere, the Convention provides for aid to diversification of production and to industrialization in the AAMS.

Its main provisions cover :

Trade

Imports into member States of products of the AAMS are to enjoy the benefit of the progressive elimination of customs duties and quantitative restrictions taking place among member States. Imports of ten tropical products—among them raw cocoa beans, unroasted coffee and tea—are to be liberalized immediately. In turn, the AAMS are to afford non-discriminatory treatment to products originating in the EEC member States not later than six months of the entry into force of the Convention. Moreover, the duties applied to such products are to be cut by 15 per cent each year, and quantitative restrictions eliminated over a four-year period. The AAMS are, however, entitled to depart from these provisions in order to promote their development and industrialization or to preserve the equilibrium of their balance of payments. They are also to have the right to establish customs unions or free trade areas, even with third countries, provided that these are compatible with the provisions of the Convention.

Finally, the parties to the Convention are required to consult one another, where necessary, as to their commercial policy. In the event of economic or financial disturbances they may apply escape clauses, and undertake to refrain from resorting to any domestic fiscal measure of a discriminatory character.

Economic and financial co-operation

The Community is to participate in measures for promoting the economic and social development of the Associated States by efforts supplementary to those of these States.

The fragile economies of the AAMS, based mainly on primary commodities, call for extensive and diversified aid. For this purpose a sum of 730 million units of account⁽¹⁾ is to be made available as follows:

⁽¹⁾ A further 70 million u.a. are earmarked for the overseas countries and territories that have remained independent as well as for the French overseas departments.
Contributions of EEC member States in million u.a.: Belgium 69, Federal Republic of Germany 246.5; France 246.5; Italy 100; Luxembourg 2; Netherlands 66.

- (a) 666 million units of account from the member States, to be paid into the European Development Fund (620 million units in the form of non-repayable grants, the balance in loans on special terms);
- (b) 64 million units of account from the European Investment Bank in the form of loans.

These sums are to be used for economic and social investments and general technical co-operation (500 million u.a.) and for aid to diversification and production (230 million u.a.).

The last sum, to be used during the course of five-year programmes, is broken down as follows: 183 million u.a. for eleven States unable to dispose of certain tropical products at world market prices, and 47 million u.a. for a second group of seven States. The whole is rounded off by a system of advances up to a maximum of 50 million u.a. to offset temporary price fluctuations.

Mention should finally be made of a reserve fund for emergency help in the event of natural disasters. This fund is derived from a 1 per cent levy on the 500 million u.a. earmarked for non-repayable aid for economic and social investments and for technical co-operation.

Right of establishment, provision of services, payments and capital

The Convention breaks new ground in dealing with services and capital, of which no account had been taken by the previous system. The new provisions are the reciprocal observance of the principles of freedom of establishment and to provide services and of the progressive liberalization of payments and capital movements in so far as the balance of payments position in the various Associated States permits. The Association Council takes the necessary decisions for implementing these provisions.

It should be noted that reciprocal recognition of freedom of establishment and to provide services should facilitate participation on an equal footing in Community-financed tenders and awards of contracts.

Organs of the association

Accession to international sovereignty by the 18 Associated States necessitated joint institutional structures to ensure that forms of co-

operation would be defined in common. These are : the Association Council, assisted by the Association Committee, the Parliamentary Conference of the Association and the Arbitration Court of the Association.

- (a) The Association Council consists on the one part of the members of the Council of the EEC and the members of the EEC Commission, and on the other part of one member of the Government of each of the Associated States. It meets at least once a year in ordinary session and is presided over in turn by a member of the Council of the Community and by a representative of an Associated State. The Association Council pronounces by common accord between the two parties, and is empowered to take decisions, to pass resolutions, make recommendations and deliver opinions.

It is assisted in its work by an Association Committee presided over by the representative of the State filling the chairmanship of the Association Council. This Committee ensures the continuity of co-operation and the Association Council can delegate to it part of its powers. The Committee reports on its activities to the Council to which it may submit proposals.

The Secretariat of these two bodies is provided in equal numbers by either side.

- (b) The Parliamentary Conference to the Association meets once a year and consists of members of the European Parliament and members of the Parliaments of the Associated States in equal numbers. The Association Council submits each year to the Parliamentary Conference an account of its activities. Preparations for the Conference are made by a joint committee which ensures continuity of parliamentary control. The Parliamentary Conference lays down its own rules of procedure, appoints its President and other officers, and passes resolutions on matters concerning the Association.
- (c) The Arbitration Court of the Association is a permanent body whose decisions are binding on the parties concerned. Its president and four judges are appointed by the Association Council, two judges upon nomination by the Community and two upon nomination by the Associated States. The Arbitration Court confines its attention to disputes over the interpretation or application of the Convention which the Association Council is not itself able to settle.

Parliamentary co-operation

The Yaoundé Convention brought with it a diminution of the powers of the European Parliament as an organ for supervising the Association's policy. Logically enough, this task was assigned to the Parliamentary Conference of the Association, in which, however, Parliament has a certain rôle to play.

The Assembly of the Six also exercises—and without restriction of any kind—political supervision of the Community's autonomous activities, namely, those of the European Development Fund. It also tries to exert an influence on the bilateral relations between the EEC member States and the AAMS. Mention should also be made of the numerous consultations rendered necessary by the proposals for regulations submitted by the Commission to the Council.

Reference has already been made to the co-ordination of the activities of the two parliamentary bodies under the first association system. The Yaoundé Convention, by institutionalizing one of these—the Parliamentary Conference of the Association, which till then had existed only *de facto*—further helped in this direction.

Two joint meetings, one in Strasbourg in June 1963 and the other in Messina in June 1964, made preparations for the constituent session of the Parliamentary Conference held in Dakar in December 1964.

The preparatory work included the drawing up of draft rules of procedure which were adopted by the Conference. These laid down in particular that :

- (a) The Conference consists of representatives appointed by the Parliaments of the AAMS, 3 per Associated State, and an equal number of representatives appointed from amongst its members by the European Parliament (to a total of 108). Each year the Conference elects its President and 7 Vice-Presidents.⁽¹⁾ Of the eight members of the Bureau four are European and four African or Madagascan. The office of President is filled in turn by a representative of one or the other group;
- (b) The Joint Committee consists of one representative from each Associated State and of an equal number of representatives from the European Parliament. The Conference appoints these 36 representatives from amongst its members and from them elects the

⁽¹⁾ Since December 1966, 9 Vice-Presidents.

Chairman and Vice-Chairman. Where the President of the Conference is African or Madagascan, the Chairman of the Joint Committee is appointed from amongst members of the European Parliament, and vice versa. Similarly when the Chairman of the Joint Committee is a member of the European Parliament, the Vice-Chairman is selected from amongst representatives of the Parliaments of the Associated States.

The Conference meets once and the Joint Committee twice each year, by turns in Europe and in Africa.

Apart from these activities connected with the rules of procedure, the Dakar Conference discussed all problems arising from the entry into force of the Yaoundé Convention and, in a resolution, called in particular for :

- (a) dynamic use of the institutional structures of the Association;
- (b) an effective policy ensuring economic and social progress in the Associated States;
- (c) rejection of the interplay of supply and demand as the sole criterion for products whose prices are subject to wide fluctuations, and the adoption of measures aimed at expanding trade;
- (d) a greater measure of financial and technical co-operation and the harmonization of guarantees to private investment;
- (e) African co-operation available to all;
- (f) greater involvement of the ECSC and Euratom in the Association.

Shortly before the Dakar Conference, the European Parliament adopted a report on the harmonization of the development aid policies pursued vis-à-vis the developing countries by the member States, whose attention it drew to the harmful effects of disparities between these bilateral policies. During discussion of a report on the situation of the first Development Fund, European parliamentarians recommended, in the light of experience, that the new Fund devote greater attention to the on-the-spot processing of AAMS products and the diversification of the economic structures of these countries.

In 1965, which saw meetings of the Joint Committee in Gisenyi (Ruanda), West Berlin and Luxembourg—at which preparations were made for the Parliamentary Conference's Rome meeting—the European Parliament also stepped up its association activities. Consultations were held on two draft regulations concerning processed and oleaginous products originating in the AAMS and in the overseas countries and territories; a resolution was passed on the expansion of trade; a report was adopted calling upon the Community to adopt

towards the developing countries a common approach in matters of commercial policy in terms of specific measures, the conclusion of special agreements and collaboration with the appropriate international bodies.

The Parliamentary Conference of the Association met in Rome in December 1965, concentrating its attention on the first annual report on the Association Council's activities. Commenting on the fact that the first results of institutional co-operation had been encouraging, it underlined the need for regionalizing aid in Africa while taking account of international development aid at world level as reflected in the work of UNCTAD. It also laid down the course to be followed by the work the Joint Committee would have to carry out in The Hague and Mogadishu in 1966.

The meeting in The Hague studied the question of outlets for AAMS products in the Common Market and all the problems arising from association, in particular the sharing out of the investments of the European Development Fund. The difficulty was how to diversify aid as between countries that were already starting to make economic progress and others more severely handicapped by their geographical and economic conditions.

The Mogadishu meeting also concerned itself with the sale of African products in the Common Market, but devoted most of its attention to the second annual report on the Association Council's activities and to problems of technical and cultural co-operation between the EEC and the AAMS.

Parallel with these meetings of the Joint Committee the European Parliament endorsed the conclusions of the Conference of Rome; took up a position on budgetary problems connected with the financing of aid for imports of oleaginous products; urged the High Authority and Euratom to define more precisely their policy and measures with respect to the developing countries; and passed a resolution recommending that in organizing technical and cultural co-operation much more should be done in the field of occupational training and the system of scholarships improved. On the last point European parliamentarians again underlined the need for co-ordinating, at Community level, bilateral relations in the field of technical co-operation between the Six and the Associated States.

During its November session Parliament passed a resolution concerning the Association Agreement with the Republic of Nigeria. Nigeria was thus the nineteenth African State to be associated—albeit

in a special form—with the Six. The legal basis resorted to is similar to that adopted for the association with Greece and Turkey. The expiry date was fixed, however, so that the position of this country could be reviewed at the same time as that of the AAMS when the Yaoundé Convention came up for renewal. While welcoming this fresh proof of the outward-looking character of the Community, parliamentarians expressed certain reserves as to the institutional provisions of this association, for which there exists no organ of parliamentary control.

The Parliamentary Conference of the Association, meeting in Abidjan in December 1966, studied the second annual report on the activities of the Association Council. It noted that despite the Community crisis of July 1965–February 1966, co-operation had continued without a break and the application of the Yaoundé Convention had not suffered in any way. While expressing satisfaction at the dynamism shown by the European Development Fund, it voiced misgivings at the constant deterioration in the terms of trade. This subject was explained to European parliamentarians, at an extraordinary meeting, by the President of the Organization of the Associated African States Mr. Diori Hamani. It was decided that the Joint Committee should submit a report, at the next meeting of the Conference, on ways and means of promoting sales in the EEC of the products of the Associated States.

The Joint Committee turned its attention to this task in Venice and Bamako in 1967. It also discussed important target dates facing the Community both as regards the Association—preparations for the renewal of the Yaoundé Convention—and in a wider international context from the Kennedy Round negotiations to UNCTAD.

As regards the stabilization of prices the Joint Committee made a series of proposals aimed more particularly at :

- (a) the observance of existing international agreements and the conclusion of fresh agreements (for example, on cocoa);
- (b) uniform preferential tariffs or, failing these, the creation of special arrangements for each product;
- (c) the possibility of transferring to an autonomous financial institution the aid to production so far provided by the European Development Fund.

As regards the functioning of the Association and its future prospects, the Joint Committee had a number of observations to

make at the time it studied the third annual report on the activities of the Association Council :

- (a) While pleased to see how well the institutions were operating, it felt that the Association Council should meet at least twice a year and should abandon its negative attitude to the procedure for written or oral questions set out in the Rules of Procedure.
- (b) It was worried about the difficulties experienced in marketing tropical products and proposals for practical solutions (for example, reduction of certain taxes on consumption).
- (c) The EEC and the AAMS ought to co-ordinate their policies effectively with an eye on UNCTAD-II.
- (d) It felt that EDF credits for the balanced development of the Associated States should be more fairly distributed on the basis of long-, medium- and short-term programmes.
- (e) Bilateral and multilateral aid should be more closely co-ordinated.
- (f) Better use should be made of human resources with the help of occupational training.
- (g) It called for a solution of the problem of guarantees for investments.
- (h) It urged that immediate preparations be made for renewing the Association, so that negotiations could be started as scheduled and be concluded in time to avoid any break in continuity.

It remained for the Parliamentary Conference of the Association, at a meeting in Strasbourg in 1967, to draw public attention to the spadework done by the Joint Committee.

The debate became at times somewhat lively; for example when, during discussion of the stabilization of prices of tropical products, the two traditionally opposed economic schools of thought met head on—one calling for immediate stabilization measures in the Association, the other, while recognizing the need for certain emergency measures, insisting that these should be deployed at world level. In the end a compromise was reached : the parliamentarians came down in favour of the first approach but regarded it only as an intermediate step towards suitable rationalisation of world trade.

This compromise, and the unanimous approval of certain trends working in favour of a renewal of the Yaoundé Convention provided further evidence of the value of Parliament's activities, a blend of boldness and cool-headed reflection.

It should be noted that Parliament prepared the ground for the renewal of the Convention of Association by means of numerous study

and fact-finding missions to Africa. These missions⁽¹⁾ had a three-fold aim: to ascertain on the spot the views of the AAMS on the way the existing Convention was being applied; to find out whether they wanted it to be renewed; and if so, what changes they would like to see made to it. The findings of these missions are being studied in detail by Parliament with a view to supplementing the facts and figures on which the European and African parliamentarians are jointly working.

Prospects for 1969

The switch-over to independence of colonial territories hitherto exclusively dependent on European national States was accompanied by the progressive establishment of a free trade area to which States other than the former mother-countries now had access. The aim of the Yaoundé Convention was to prepare the Associated States for the resulting international competition. This aim has not yet been achieved but the course mapped out seems likely to yield a solution of the problem. It is not a question merely of maintaining primary commodity prices at artificially high levels, nor yet of fostering exports from marginal industries. What is needed is to overhaul the economic structures of the AAMS by diversifying production and supporting and co-ordinating the process of industrialization so as to create in Africa vast integrated economic areas. Henceforward the problems of the Association must be considered in a wider context, namely, that of the development of overall relations between industrialized and developing countries.

Above all, however, the EEC-AAMS Association must not pursue exclusively commercial objectives; it must have a higher purpose springing to a large extent from a community of spirit.

These are a few of the lessons to be learnt from the past. These are the prospects which parliamentarians hope will be taken into account during the negotiations to be opened in a few months' time for the renewal of the Yaoundé Convention. On the basis of what has already been achieved, conscious of the ties that link them to their African and Malagasy partners and of the justness of the common cause, the members of the European Parliament want to make an

⁽¹⁾ Madagascar, Burundi, Ruanda, Chad, Cameroon, Niger, Upper Volta, Gaboon and Congo (Brazzaville).

even greater contribution to the development of an outward-looking Association.

In this connexion attention must be drawn to the importance of the negotiations opened up with three East African States (Kenya, Uganda, Tanzania) and with the Maghreb countries.

The agreements contemplated with these countries share only part of the global character of the EEC-AAMS Association but nevertheless represent a first step towards a more open Community and reflect Europe's desire for harmonious international development.



A. Poher and L. Gueye,
Presidents of the Parliamentary Conference of the Association



A. Sissoko and G. Thorn, Chairmen of the Joint Committee
Strasbourg, December 1967

IX

Cultural co-operation

The achievement of European unity is predominantly a political task but also helps to preserve the continuity of the intellectual life of Europe springing from its cultural roots. All the great movements in the world of art and ideas, of religious, ethical and political thought, which have arisen in Europe over the centuries, may be reflections of a variety of cultural forms but spring from a single source—a common European civilization. Historical and political events have often set up artificial frontiers between the different European cultures. Today, the drive for European unification demands that joint action be taken to abolish these frontiers and to bring common values to the fore. Intellectual life is a living process that feeds on the most diverse stimuli and gives them out again in ever-changing forms.

The six countries of the European Community have never lost sight of this vision of a Europe drawn ever closer by cultural ties. Ever since the process of economic integration began, the more enlightened Europeans have insisted that European unity cannot remain a purely economic and social affair. It was not however until 18 July 1961, at the Bonn conference of Heads of State or Government, that the Six formally recognized the immense influence of educational and cultural factors on the shaping of a European consciousness. The *communiqué* issued called for the creation of a Council consisting of national ministers of education or of ministers responsible for international cultural relations and assisted by a committee of experts, and for the conclusion of one or more agreements for co-operation. 161

and exchanges between the universities of the EEC member States; recognition of the *European character* of national universities and research institutes; the setting up by Italy of a European university in Florence to whose intellectual life and financing the six Governments would all contribute; the possible creation of other European establishments of higher education or scientific research.

The European Parliament has always been aware of the importance of cultural activities for the development of a European consciousness which alone can provide a solid basis for economic and political integration. It was in this spirit that, on 24 June 1963, it passed a resolution concerning cultural co-operation between the EEC member States in which it

‘Invites the Heads of State or Government and the Executives of the European Communities to create in the near future, and at Community level, the institutions needed for promoting a policy of cultural co-operation between the member States;

Points out that one of the pillars of such cultural co-operation must be a parallel development of studies and educational programmes at all levels;

Calls for measures to be taken in the Community countries, in a genuine democratic spirit, to make education available to all at every level;

Urges both the Governments and the EEC Commission to ensure that the drive for reciprocal recognition of degrees and diplomas is speeded up;

Points out that any further delay in founding a European university in Florence would create a bad impression and arouse mistrust among the general public;

Underlines the need for ensuring systematic co-operation between universities and, in the same spirit, for securing, with their assistance, the collaboration of institutes of applied scientific research; Proposes that exchanges within the European Community in the fields of education, science and cultural activities should be put on a regular basis and stepped up.’

The European University

The tendency to lay greater emphasis on cultural and educational factors with a view to facilitating and speeding up the political unification of Europe was reflected in the desire, expressed at the

Messina Conference in June 1955, to see a European University established. This was given concrete form in Article 9,2 of the Treaty setting up the European Atomic Energy Community which reads : 'An institution at university level shall be established, whose methods of work shall be determined by the Council, by qualified majority decision on a proposal from the Commission.' The Commission is allowed a period of one year from the date the Treaty comes into force to submit proposals on how the European University is to be run (Article 216 of the Euratom Treaty).

On 20 May 1958 the Council confirmed its intention to found 'a European University as a permanent, autonomous institution' and asked the Euratom Commission to submit suitable proposals. These were presented on 19 December 1958. They provided for the European University to comprise a science faculty, geared more especially to the utilization of nuclear energy, and the elements of a faculty of law, a faculty of political, economic and social science, and a faculty of philosophy and philology with a special department on European history. A few days earlier Mr. Fanfani, Italian President of the Council and Foreign Minister, had proposed Florence as the seat of the university.

On 14 May 1959 the European Parliament studied the whole question in the light of a first interim report by Mr. Geiger. This report stresses that the European Community should on no account be governed by purely technical and commercial considerations, being above all a Community of peoples and individuals called upon to pool their destinies, and therefore their cultures, so as to facilitate the birth and propagation of a truly European outlook. It was in this spirit that Parliament passed a resolution reading as follows :

'Considering that the development of close cultural links between the six Community countries and the associated overseas countries and territories, and more particularly the establishment of a European University, are of crucial importance for the creation of a European outlook, and thus for the entire European Community, as tangible evidence of the will of the Six to promote the European idea and the building of Europe, and as a sign of the solidarity of European youth;

Considering that it is essential not only to improve economic conditions in the member States but also to raise their intellectual standards;

Hopes that, in accordance with Article 57,1 of the EEC Treaty, 163

the Executive of this Community will submit its proposals to the Council as soon as possible so that the latter, after consulting Parliament, can issue the necessary directives for the reciprocal recognition of diplomas, certificates and other evidence of qualifications, to enable students to pursue their studies in any Community country without having to extend the time spent on them; Urges the three Executives and the Councils of Ministers to pool their efforts with a view to the creation of a European University whose main concerns, with an eye to the development of the European Communities and of the associated overseas countries and territories, will be :

- (a) scientific and technical progress;
 - (b) the social and economic sciences;
 - (c) philosophical and historical research;
 - (d) the framing and development of the law of the Communities;
- Considering that no opportunity should be lost of encouraging co-operation between the signatories of the Rome Treaties and the other European countries;

Requests the Executives and Councils of the Communities to ascertain whether it would be possible to invite European countries other than signatories of the Rome Treaties to participate in the founding of the European University, so as to spread the influence of European culture as far afield as possible.'

The six Governments were unable to reach agreement on the proposals submitted by the Euratom Commission and endorsed by Parliament. This is why in 1959 the Councils of the EEC and Euratom set up an Interim Committee, composed of representatives of the member States and of the three Executives, to study the problems arising from the creation of a European University. In April 1960 the Committee submitted a report on which the Councils again failed to reach agreement despite the fact that, as a concession to national university jealousies, it was proposed that the new establishment should not be a 'complete' university.

Parliament did its utmost to keep the plan alive and, on 1 July 1960, passed a resolution reading :

'The European Parliament hopes that the Councils will finally arrive at a positive decision so that the European University can finally throw open its doors, as planned, in autumn 1961.'

As regards the structure of the new seat of learning, Parliament went on to say that

'The proposal that the European University should not be a 'complete' university can only be accepted in respect of the transitional period. Ultimately, all branches of study should be represented there and students admitted even before completing their university studies in their country of origin;

Even during this transitional period the European University, if it is to be worthy of the name and to carry out the tasks assigned to it by the European Parliament, should be something more than a special institute for European studies catering only for applied science. Fundamental research must also be represented in the various departments;

In building up the European University use should be made of the experience acquired by existing establishments specializing in European affairs. The response to be given to any request from an existing European institute for integration with the European University ought to be considered;

The European University's statutes should endow it with independence and absolute liberty in education and research;

For this reason a large number of professors should be given the guarantees enjoyed by the university teaching body. They should be appointed for life and, subject to the usual reservations, be neither dismissed nor posted elsewhere;

For reasons pertaining to scientific work, such an arrangement should apply at least to the heads of institutes. Heads of 'departments' are also to be chosen from among professors with life appointments;

The Rector, who is to represent the University in the world outside, must be chosen in free elections by the academic Senate. The Council of Ministers may only withhold approval of such a choice in adequately grounded cases;

Professors, other than those with life-time appointments, and assistants and students should be given a right to vote on their affairs in the academic Senate;

The functions of the European Higher Education and Research Council, on the one hand, and of the academic Senate and board of administration of the University on the other, must be clearly defined;

The European Higher Education and Research Council should submit an annual report not only to the Council of Ministers but also to the European Parliament;

The budgets of the European Higher Education and Research Council should be prepared and finalized in the same way as those of the common institutions of the European Communities; The Council of Ministers, which is responsible both for the European University and for the European Higher Education and Research Council, should carry out its activities within the framework of the European Communities.'

In its struggle against the indecision displayed by the Councils of Ministers, Parliament once again drew attention, in a resolution of 13 October 1960, to the 'obligations falling upon all member States from the provisions of the European Treaties.' It again underlined the crucial importance of a European University for the unification of Europe and called upon its members to bring all their influence to bear, in their countries, both on the Governments and on the Parliaments, to ensure that existing objections were disposed of and that a positive decision could be taken by the Councils.

The European University came up for discussion again at a conference of Heads of State or Governments of the Six held in Paris on 10 and 11 February 1961. It was there decided to set up a working party to deal with cultural co-operation within the framework of the European University. The report drawn up by this working party pointed out that the stage was now set for the immediate erection of the European University in Florence, and that this could embark upon its activities in autumn 1962. In June 1961 Parliament followed up with a resolution asking that its suggestions regarding the tasks, nature and structure of the European University should be taken into account, that the 'institution at university level' should possess the attributes of a genuine university, cover the usual branches of learning, possess the unrestricted right to award doctor's diplomas, and enjoy complete independence. This resolution was transmitted to the Heads of State or Government of the Six for their conference in Bonn on 18 July 1961.

At the close of this conference the six Heads of State or Government issued a statement on co-operation in the cultural and educational fields in which they came out in favour of an agreement on the 'creation in Florence, by Italy, of a European University to whose intellectual life and financing the six Governments will contribute.' When Parliament reviewed this statement in December 1961 the fear was expressed that the decisions of the Bonn conference could have dangerous effects for the European University, for this was

to be set up by the Italian Government and no longer by the Community. All the proposals that had previously been laid before the Council of Ministers had, like so many other good ideas, been pigeon-holed by the national Governments. The European Parliament regarded it as a grave violation of the Euratom Treaty that the university could now be erected, administered and led by the Italian authorities without any organic link with the Community institutions. At the same time the Italian Government's offer to allow these institutions, and especially Parliament, to sit on the organization committee for the European University was warmly welcomed. Parliament's resolution of 19 December 1961 reads :

'The European Parliament is disappointed to note that the decision of the Heads of State or Government ignores the proposals worked out by the Euratom Commission, the Interim Committee, and above all the European Parliament, concerning the creation of the university, referred to in Article 9,2 of the Euratom Treaty, within the framework of the Community;

It urges that negotiations on how the European University can be fitted into the Community should be continued;

It further demands to be consulted beforehand on the draft Statutes of the European University and on the draft financial convention.'

In accordance with the Bonn decisions the Italian Government submitted in September 1963 a draft law on the establishment, in Florence, of a European University. At the same time an inter-governmental conference was set up to enable the other Community member States to participate both in the intellectual life and in the financing of the University. In its turn, the European Parliament once again raised the problem at a meeting of its Research and Cultural Affairs Committee in Venice on 20 and 21 May. A representative of the Italian Ministry of Foreign Affairs reported on the difficulties his Government was experiencing over the establishment of the European University. These were attributed to the 'blank mandate' which his Government had been given.

After the European Parliament had been informed in detail by the Italian Government regarding the internal draft law and the draft international agreement prepared by it on the European University, it passed a resolution on 13 May 1964 reading as follows :

'The European Parliament protests against the continued delay in applying Article 9,2 of the Euratom Treaty and the failure

of the Governments in connexion with the creation of a university within the framework of the European Communities to be financed by their institutions and work in close contact with them;

Is of the opinion that the Italian Government's proposals, which have been given shape by the presentation of a draft law in the national Parliament and the framing of a convention on the intellectual and financial participation of the other member States, deserve the closest attention;

Welcomes the spirit of co-operation displayed by the Italian Government in transmitting to the European Parliament its draft law and its draft of a convention, which may be regarded as a further step towards co-operation between the European Parliament, the Governments and the Parliaments of the member States;

Hopes that, by adopting the convention proposed by the Italian Government, the six Governments will reaffirm the Community character of Florence University by endorsing the principle of cultural and financial participation by the Six and the Community institutions;

Hopes that the European University in Florence will be of a democratic nature so that it can pursue its educational and research activities in full independence.'

To this end, the European Parliament made a number of proposals. Although the first rector would of course be appointed by the Italian Government after it had consulted all the other member States, his successors should be elected by the academic Senate. The administrative board should include not only nominees of the Governments but also members nominated by the Community institutions and by the teaching staff as well as a students' representative. Students should be admitted solely on individual merit. The European University should be opened to students from non-member countries. Students would be expected to take an active part in running the University. The structure of the University should be such as to leave room not only for higher studies but also for post-graduate courses. All member States should have a say in the running of the University so as to preserve its common, if not Community-based, European character. The European Parliament wound up its resolution by expressing the hope that suitable contacts would be established between it and the European University without in any way encroaching on the latter's independence. It urged that negotiations

between the six Governments should be pursued unflaggingly and culminate in results in line with its wishes.

The unswerving determination shown by Parliament to see the European University brought into existence proved again and again to be a source of encouragement to negotiators and experts, whether representing the Governments or university circles. Fears that certain traditions and freedoms of the cream of European educational centres would be compromised were without foundation and had long since been dispelled. Other obstacles, however, continued to stand in the way. Indeed, work on the European University was suspended in 1965. The Heads of State or Government did not return to the matter until May 1967 when they met in Rome to celebrate the tenth anniversary of the signing of the EEC and Euratom Treaties. They then decided to resume study of the project, already examined by the Bonn conference of 18 July 1961, for the creation of a European University in Florence. The European Parliament naturally welcomed the news.

Following the death of Mr. Gaetano Martino, President of the European Parliament from March 1962 to March 1964 and a stout champion of the plan to set up the European University, Mr. Alain Poher, the new President, publicly proposed at Mr. Gaetano Martino's funeral in Rome on 22 July 1967 that, in recognition of the outstanding services rendered by the deceased to the European cause, the European University should be named after him. The Italian Government accepted this suggestion.

European Youth Office

In its attempts to foster cultural co-operation in Europe Parliament has never lost sight of the fact that the first to benefit should be young people. Again and again it concerned itself with youth problems, of which it is acutely aware. On 21 January 1965 it studied a proposal for a resolution presented by the Socialist group and inviting Parliament to study ways and means of creating a 'European Youth Office' to spread knowledge of Community matters by encouraging meetings with a view to establishing between young persons those links of mutual respect, friendship and understanding which are the prerequisites of any work to be done at political and economic level.

The Research and Cultural Affairs Committee drew up a report, on the basis of this proposal for a resolution, which it laid before

Parliament on 9 May 1966. In a resolution passed the same day Parliament

'Calls on the Governments of the European Community and on its peoples to ensure that youth problems are considered, tackled and resolved in an open-minded manner, so as to arouse among young people a sense of human solidarity and a spirit of understanding and so as to bring fully home to them their value and their rights and obligations in a united, democratic and peaceful Europe in a world moving forward on the path of unity;

Believes that closer relations between the young people of Europe can do a great deal to foster a European outlook; that the European Community has a duty to help prepare youth for its future tasks in the Community and in the service of the Associated States and the developing countries;

Would like a European Youth Office to be set up in the form of a foundation under public law, to be managed by representatives of the member States and of the Executives assisted by a General European Youth Council, and a Community-financed fund to be placed at the disposal of the European Youth Office into which would be paid an annual sum of 50 million Belgian francs to be raised to 500 million francs in the following ten years;

Invites the Governments and the Parliaments of member States to come out in favour of such an institution and to promote the creation of national youth councils which are as representative as possible;

In the meantime calls upon the Executives of the three European Communities to ensure that, as from 1 January 1967 :

- (a) the 'Kreyssig' funds entered in the budget of the Joint Press and Information Service under the heading 'Youth and adult education' are increased to 50 million francs per annum;
- (b) a new and wider programme of exchanges of young workers is submitted covering, on the basis of Article 50 of the EEC Treaty, a number of years;
- (c) measures are taken for the closest possible co-ordination of activities on behalf of youth within the Community, and that a special organization is set up for this purpose.'

A debate which was held on 19 June 1967, following an oral question to the ECSC High Authority and the EEC and Euratom Commissions, brought to light the first initiatives taken in response to Parliament's resolution of 9 May 1966 and the attitude adopted

by the member States. The Council had stepped up credits for the dissemination of information among young people and adults from 15 to 20 million Belgian francs. All four political groups of Parliament insisted on the need to increase these credits still further. They asked that the associations representing youth should have a say in drawing up a youth policy. They regarded the policy for the information and education of young people as one of the mainsprings of a European youth policy, and stated that 'europeanizing' schools remained the key problem of the life of European peoples.

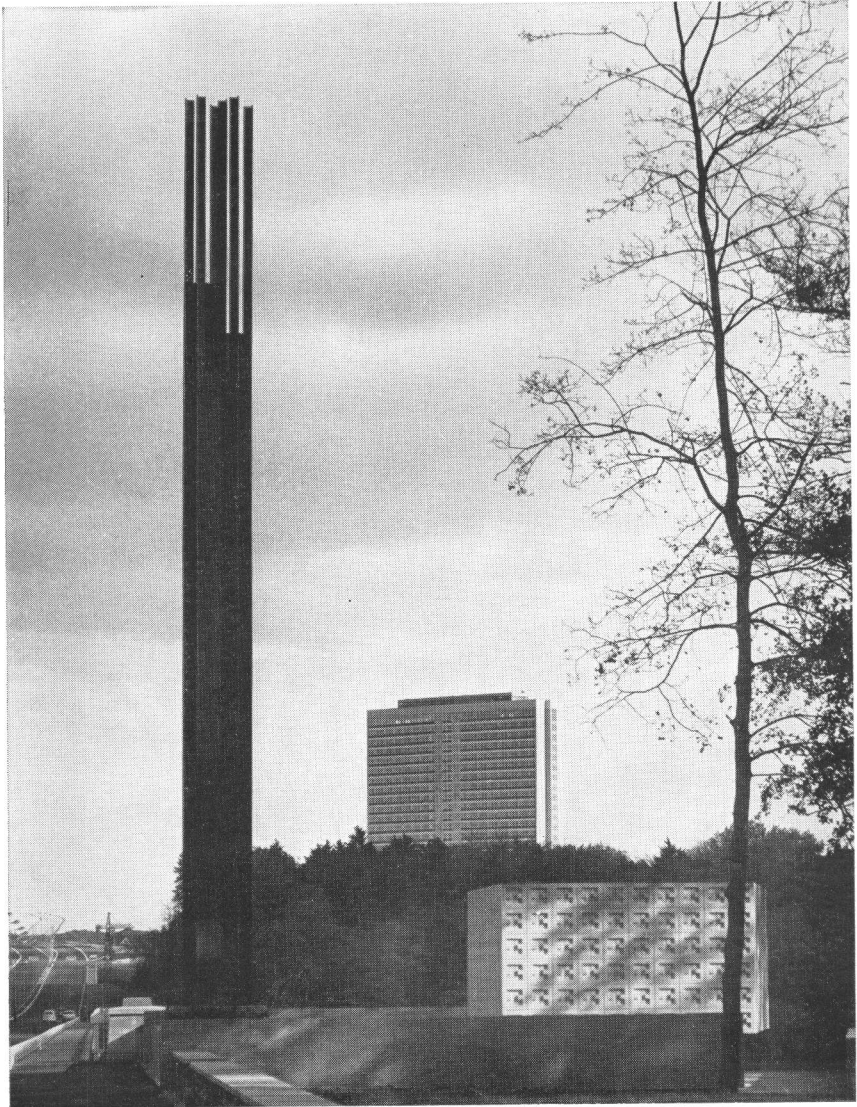
The European Schools

Originally created mainly for practical reasons—schooling had to be provided for the children of Community officials—the European Schools set up in various towns in which Community institutions are established have become extremely valuable centres both from the educational and from the human point of view. On 10 March 1966 Parliament discussed the European Schools in the light of a report submitted by the Research and Cultural Affairs Committee. This report first recalls how the existing six European Schools—in Luxembourg, Brussels, Varese, Mol, Karlsruhe and Bergen—were originally formed. By virtue of their Statutes of 12 April 1957 and protocol of 13 April 1962 the European Schools are institutions not of the Communities but of the six member States. The Communities are, however, represented, with the right to vote, on the Supreme Council and Administrative Councils of the six schools.

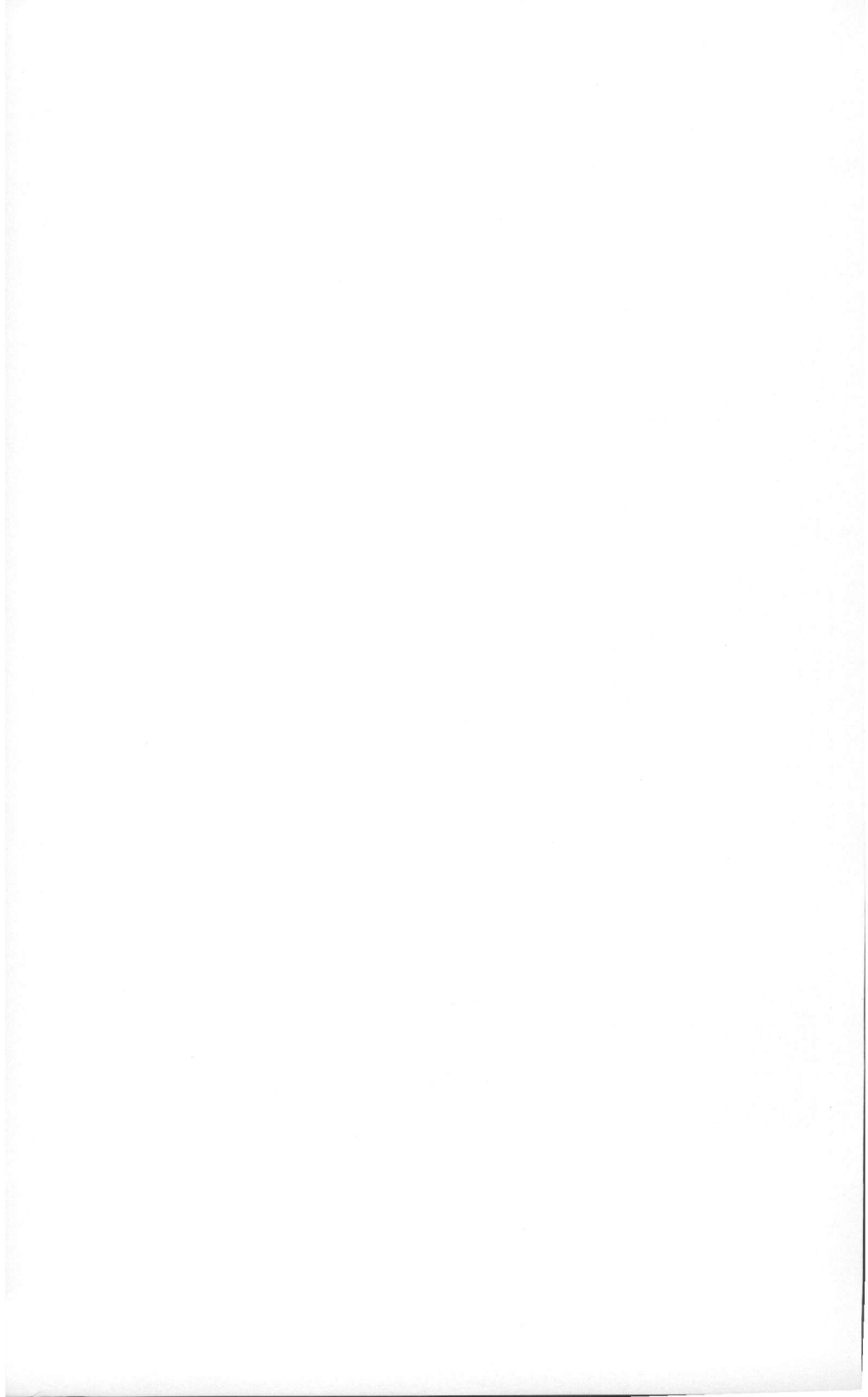
In addition, the European Schools share a number of distinctive features. The atmosphere is European; a 'second language' is taught from the first year; certain subjects are taught in common during a 'European hour'; certain others are taught in the secondary schools in the 'second language'. The report points out that the European *baccalauréat* is officially recognized in the six member States, Switzerland, the United Kingdom and Austria. It urges the publication of textbooks completely free from national prejudice. It further suggests the establishment of a 'Pedagogic Institute' to make a searching scientific investigation of the teaching problems encountered in the European Schools. The report sees in the European Schools, despite their limited Community character, a neat solution to the problem of teaching children of a large number of officials speaking different languages.

For Europe's cultural development the European Schools are of prime importance and the experience gathered in them is an outstanding factor for European unity. This is why the report approves the proposal for a resolution submitted by the Socialist group in March 1965 and stresses the need to set up European Schools in places in the Community or in non-member countries where, although there are no officials of the Community, a large number of nationals of member States reside. While the report considers that the European Schools will certainly have to be fitted one day into a common European cultural policy, it does not feel that all schools in the member States should then be cast in the same mould.

These suggestions and proposals were endorsed by Parliament in a resolution passed on 10 March 1966 in which member States were urged to take all the necessary steps. Parliament went on to instruct the Research and Cultural Affairs Committee to continue its investigation of ways and means of incorporating the European Schools into the drive for cultural co-operation to be launched in Europe, and of linking them at institutional level to the Community at the time the Treaties were merged.



European Centre in Luxembourg, headquarters of the Secretariat
of the European Parliament



X

In quest of a new political order in Europe

The review carried out in the preceding chapters of the efforts made by the European Parliament wherever it was possible, at the economic level, to speed up the process of European unification is an encouraging one.

After fifteen years of the ECSC and ten years of the EEC and Euratom, economic integration has reached a stage which, in the view of political observers, excludes any return by the member States to a purely national economic system. Customs barriers have been dismantled. Step by step, the common agricultural policy has become an established fact. Trade within the Community has adjusted itself to the new dimensions of the market and in 1967 had already risen to 238 per cent of that transacted in 1958.

Scarcely any progress, on the other hand, has been made towards political unification or, for that matter, towards political co-operation. In this respect the Community does not appear to have made any advance since 1954 when the project for a political Community approved by the *ad hoc* Assembly was pigeon-holed by the Governments. The Fouchet Plan for political union, which aroused fresh hopes between 1961 and 1962 among those awaiting a relaunching of the construction of Europe, did not suffer a better fate.

This contrast between the successes achieved in certain sectors of economic integration and the setbacks so far suffered on the road to political unification is an acute source of concern to the European Parliament and places upon it a heavy responsibility. Under the

Treaties, and according to its own lights, the Parliament is at once the representative and spokesman of the peoples of the Community vis-à-vis the other institutions. Although, as amply borne out by all opinion polls, the bulk of the citizens of the Community countries want to see European union progressing in all fields, including the political, European parliamentarians have not yet been able to canalize this will and make it articulate. Such a breakthrough to political unity, to common political aims of the peoples and States of the European Economic Community in the world today is, however, essential if what has already been achieved is to be preserved and systematically added to.

Moreover, the innate dynamism of the vast process of economic integration regulated by the Community Treaties brings the political aspect more and more to the forefront. Besides, in our modern States, who can say where the sphere of economics ends and of politics begins? An economic decision, directly it has noticeable effects, acquires a political character. The dividing-line is already often difficult to define in the Community. More and more Community decisions encroach, in the integration process, on spheres which are, strictly speaking, the responsibility of the political authority. Thus the common commercial policy laid down in the EEC Treaty calls for a common, or at least highly co-ordinated, approach to major aspects of foreign policy. The common agricultural policy demands a common sociological attitude to the rôle of the rural community in a modern industrial society. The co-ordination of medium-term and short-term economic policies and of monetary and financial policies cannot advance very far in the absence of common political objectives.

Among the various institutions, the European Parliament alone is capable of dealing with these problems with complete freedom and open-mindedness and of bringing to the task, thanks to the political background of its members, the requisite sympathy and understanding. Even in the days of the Common Assembly political considerations were uppermost. Despite Parliament's relatively short history, it would be a long business to catalogue all its specifically political moves and debates, or to recall how often it has highlighted the political implications of measures economic only in appearance.

The determined and unflagging efforts of European parliamentarians to round off economic integration by integration in the political sphere came, of course, strikingly to the fore when, in 1961-62, the intention was announced at governmental level of tackling the

project for political union—the Fouchet Plan—now gathering dust in the files of the member Governments.

On 10 and 11 February 1961 a European summit conference, attended by the President of the French Republic, the West German Federal Chancellor and the Prime Ministers of Italy, Belgium, the Netherlands and Luxembourg, was held in Paris. The communiqué issued at the end of the conference announced that its aim was to 'seek out ways and means of organizing closer political co-operation.' A committee made up of representatives of the six Governments was instructed to submit for the next session 'concrete proposals for the meetings of Heads of State or Government and of Foreign Ministers, as well as for any other meetings that might appear desirable.'

The committee had soon performed its task. As to procedure, it suggested that the summit conferences should be institutionalized and held at sufficiently brief intervals to ensure a certain continuity between one meeting and the next. In a working paper it aptly defined the subject-matter of its discussions as follows :

'To enable this Community *to be developed to the full*, it is desirable that the Six compare their foreign policies and harmonize them as far as possible. They should also examine and take advantage of the possibilities for co-operation that exist in spheres other than those covered by the Treaties of Paris and Rome. This is why no limit should be placed on the subjects discussed at meetings of Heads of State or Government. Consultations will embrace not only international policy in general but also the political problems connected with the existence and development of the Communities and questions relating to new spheres of co-operation, for example, cultural affairs.'

As regards the European Parliament the committee proposed that 'the Heads of State or Government can also decide to report to the European Parliament on their work.' It also pointed out that five of the six Government delegations considered that 'it would now be possible for the Heads of State or Government to decide to study the action to be taken on the proposals put forward by the European Parliament regarding its election by direct universal suffrage.'

In this preliminary phase Parliament immediately made known both its misgivings and its requirements in this connexion. In a resolution of 28 June 1961 it pointed out that such an initiative would represent a step forward towards European integration :

'if it involved participation by the Executives of the Communities

in the discussion of any questions affecting the discharge of their duties;

if it did not interfere with the functions and powers of the Communities and of their institutions on the basis of the Treaties of Rome and Paris and if it strengthened the Communities;

if the Governments reported to the Parliament at least once a year on the progress made in political co-operation;

if it helped to put into effect the draft convention of the European Parliament on direct European elections, and the proposals to merge the Executives of the Communities and to set up the European University.'

Parliament then called upon the Governments to 'define the stages in the progressive achievement of a close political union, specifying their duration, and particularly that of the final stage, in order to establish, at Community level, the bases of a functional and viable European political structure.'

Following the next summit conference held in Bonn on 18 July 1961 a communiqué was issued stating that the Heads of State or Government had decided :

'to give shape to the will for political union already implicit in the Treaties establishing the European Communities, and for this purpose to organize their co-operation, to provide for its development and to secure for it the regularity which will progressively create the conditions for a common policy and will ultimately make it possible to embody in institutions the work undertaken; to hold, at regular intervals, meetings whose aim will be to compare their views, to concert their policies and to reach common positions in order to further the political union of Europe, thereby strengthening the Atlantic Alliance. The necessary practical measures will be taken to prepare these meetings. In addition, the continuation of active co-operation among the Foreign Ministers will contribute to the continuity of the action undertaken in common. The co-operation of the Six must go beyond the political field as such, and will in particular be extended to the sphere of education, of culture, and of research, where it will be ensured by periodical meetings of the Ministers concerned;

to have a study made of the various points of the resolution of the European Parliament of 29 June 1961 on political co-operation among the member States of the European Communities;

to associate public opinion more closely with the efforts already

undertaken, by inviting the European Parliament to extend to new fields, with the co-operation of the Governments, the range of its debates.'

On 19 September 1961 the European Parliament passed a resolution in which it :

'notes that the Heads of State or Government have finally recognized the need to give effect to the desire for political unity already implicit in the Treaties establishing the European Communities, and intend to impart an institutional form to this unity which the Parliament has always regarded as being the only means of safeguarding the future of Europe;

welcomes the fact that its resolution of 28 June 1961 has already been studied but hopes that other unjustifiable obstacles will not hold up the practical application of the solutions recommended; declares its readiness to place its experience at the disposal of the Governments of member States in the search for the best means of achieving real and complete political unity;

instructs its Political Committee to start immediately on a searching study of these problems;

decides to accede without delay to the request made to it to extend the field of its deliberations to all political problems of common interest.'

The negotiations on 'a draft treaty for the establishment of a political union' entered into by the Governments and conducted first by Mr. Christian Fouchet and later by Mr. Cattani, went on until June 1962. The Governments were unable to reach agreement as to the aims to be pursued or the form to be taken by the political Community, against the background of the problem already posed by the possible entry of the United Kingdom into the Common Market. During the debates on the initial setback suffered by the United Kingdom in its attempts to gain admission to the Community, Parliament again had an opportunity to take up a position regarding the political Community. It felt obliged to address to the Governments and the public at large the appeal contained in the forthright statements of its resolution of 6 February 1963 :

'The European Parliament emphasizes that the ultimate aim of European integration is the creation of the United States of Europe, a supranational economic and political Community based on the equality of rights of member States and endowed with institutions of its own independent of the Governments;

Considers that only such a Europe will be able to carry out, within an Atlantic partnership and on an equal footing with the United States, the rôle that falls upon it for the defence of the free West, the preservation of peace and general economic progress.'

Patiently and doggedly, European parliamentarians never ceased, in the years that followed, to denounce what is probably the root cause of all the crises that have arisen in the European Economic Community, namely, the absence of political unity and of a common political foundation for economic integration. After century upon century of discord, struggles for supremacy and bloody wars, the quest for such a new political order in Europe is undeniably far from easy. The knowledge of what has already been achieved, and can still be achieved, through economic integration compels us to carry on our quest patiently and with determination. To form the spearhead of this action may well be the main task facing European parliamentarians. That they are fully aware of this is shown by the fact that at the close of the debates on the tenth—and final—general report of the former EEC Commission—devoted almost entirely to the major political questions of its ten years of activity—the representatives of the peoples of Europe once again recalled, in November 1967, their chief preoccupation by underlining '*the close relationship between the Community's economic and political tasks and its institutional organization*' and '*the need to maintain without restriction the bases of a federal organization created by the Treaty.*'

In couching its declaration in these general terms Parliament wanted to make it quite clear that it was leaving the door open for all manner of possibilities. It remains nevertheless absolutely determined to play a decisive part in shaping a new political order in Europe which cannot be democratic unless it derives one of its main driving forces from parliamentary activity.

PUBLICATIONS DEPARTMENT OF THE EUROPEAN COMMUNITIES

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