SEVENTH JOINT MEETING

of the Members of

THE CONSULTATIVE ASSEMBLY

OF THE COUNCIL OF EUROPE

and the Members of

THE EUROPEAN PARLIAMENTARY ASSEMBLY

(STRASBOURG - 24TH AND 25TH JUNE 1960)

OFFICIAL REPORT OF DEBATES

STRASBOURG

NOTE

This edition contains the original texts of the English speeches and translations of those delivered in other languages.

The latter are denoted by letters as follows:—

(G) = speech delivered in German.

(I) = speech delivered in Italian.

(D) = speech delivered in Dutch.

(F) = speech delivered in French.

The original texts of these speeches will be found in the separate editions which are published for each language.

The German, Italian and Dutch editions are obtainable from the appropriate departments of the Communities, not from Strasbourg.

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FIRST SITTING

FRIDAY, 24th JUNE 1960

IN THE CHAIR, Mr. HANS FURLER,

President of the European Parliamentary Assembly

The Sitting was opened at 11 a.m.

1. *Opening of the Joint Meeting*

The Chairman. — (*G*) Ladies and Gentlemen, I declare open the Seventh Joint Meeting of the members of the Consultative Assembly of the Council of Europe and the members of the European Parliamentary Assembly.*

By agreement with Mr. Federspiel, President of the Consultative Assembly of the Council of Europe, I shall preside over today's Sitting—unless I have to be replaced—and Mr. Federspiel will take the chair tomorrow.

* *i.e.* on the first five occasions the Common Assembly of the European Coal and Steel Community.

2. *Order of Business*

The Orders of the Day for this morning comprise the following items:

— Presentation of the Report by Mr. Martino on the activities of the European Parliamentary Assembly;

— Address by Mr. Hirsch, President of the Commission of the European Atomic Energy Community;

— After this address Mr. Smithers will take the floor as Rapporteur of the Political Committee of the Consultative Assembly; he will speak on the General Report of Mr. Martino.

The following are the Orders of the Day for this afternoon:

— Address by Mr. Malvestiti, President of the High Authority of the European Coal and Steel Community;

— Address by Mr. Hallstein, President of the Commission of the European Economic Community;

— Opening of the General Debate.

The Orders of the Day for Saturday are as follows:

— Continuation and closure of the general debate;

— Summing-up by Mr. Martino, Rapporteur of the European Parliamentary Assembly.

I discussed with the President of the Consultative Assembly of the Council of Europe the arrangements for today's Sitting. We agreed to give the Chairman of the Committee of Ministers of the Council of Europe and the Chairmen of the Councils of Ministers of the Communities the opportunity of taking part in our proceedings and addressing the Meeting.

I would inform you that in the place of the Chairman of the Committee of Ministers of the Council of Europe, who is

unable to attend, Lord Lansdowne, United Kingdom Under-Secretary of State for Foreign Affairs, will take part in the Meeting, and he will be the first speaker in the debate tomorrow morning.

As regards the procedure we follow, I would remind you that this is *not* an official meeting of the two Assemblies but a meeting of their members; there will be no voting, as the sole object is to give the members of the two Assemblies an opportunity for a free exchange of views.

For the proper conduct of debates, I would ask speakers to be good enough to put their names down before mid-day today and to state whether they wish to take the floor today or tomorrow. I would also ask them to respect the division into general questions, external relations of the Community of the Six and special questions. It is not intended to close the list of speakers now, I merely wish to be in a position to make the necessary arrangements for the debate.

3. *Address by the Chairman*

The Chairman. — (*G*) The present Joint Meeting is the seventh of its kind. The number alone shows that a certain tradition has been established. We are aware of the changes which have taken place in the European framework since the first Joint Meeting in 1953. I should therefore like to make a few introductory remarks to clarify our intentions in holding this exchange of views.

During the first five years we discussed the activities of the European Coal and Steel Community. Over the last two years our task was to consider the much broader question of European economic integration and its problems.

In spite of the wider range of the discussions, there has been no change in the nature of our Joint Meeting itself, at least no fundamental change. In a Europe whose member States have already come together in a number of international organi-

sations—and I am thinking, in the first place, of the Council of Europe—six countries have formed a Community. The desire to harmonise the relations of the Community of the Six with those already established among the States was one of the reasons which led to the organisation of our Joint Meeting.

The purpose of our discussion, in addition to providing reciprocal information through reports and members' speeches, is therefore to pave the way for a meeting of minds, to seek ways of reconciling the demands arising from the existence and development of the six-Power Community with the legitimate interests of the other European States.

It was relatively simple to fulfil our task during the first few years. The effects of the common market in coal and steel were limited. But the general Common Market with its repercussions on economic and social life and its consequences in the cultural, financial and other fields poses far greater and more complex problems.

It seems to me to be one of the main duties of a parliamentarian to see to it that the questions which are vital for our populations and which are growing ever more complex do not become bogged down in technical discussions. It is the aim of democracy to allow each citizen to have his say in decisions which are of vital interest to the nations. If we consider the situation in our own countries we often have the impression—at any rate this is the case with me—that the problems of our modern world are so boundless that public opinion becomes more and more out of sympathy with, and indeed indifferent to, our activities.

Let us therefore try to do our part to enlighten public opinion in regard to the great problems of European unification, to make people aware of its political significance and to hold a debate which does not trail off into technicalities.

Our Joint Meetings—I should like to say this to you in conclusion—have, each time, taken place at a different juncture in relations between the European countries. Sometimes our

discussions have reflected the tensions of the moment. They have not seldom revealed possibilities of solution; and they have always justified hopes for the future.

We are confronted now with a new phase of development which we enter upon with justified optimism because a series of negotiations and declarations have shown that there are factors making for a satisfactory and harmonious process of evolution. I am of the opinion that it is our duty to help resolve difficulties, to try and clear up misunderstandings and to see steadily, and as a whole, the broad lines of this development.

4. *Presentation of the Report on the Activities of the European Parliamentary Assembly*

The Chairman. — (*G*) We shall now proceed to the first item in the Orders of the Day, and I call Mr. Martino, Rapporteur of the European Parliamentary Assembly.

Mr. Martino, *Rapporteur of the European Parliamentary Assembly.* — (*I*) Mr. President, Ladies and Gentlemen, in the annual report of the European Parliamentary Assembly, which it was my privilege to prepare and submit to you, I mentioned two basic requirements reflecting our common aims and interests —interdependence through political and economic integration and the preservation of the liberal spirit which has presided over the inception and, thus far, over the actions of the Communities.

It should give us great satisfaction today to see the just diagnosis of these two requirements confirmed by recent events and decisions of particular significance. Those events and decisions could not be recorded in the review of Community activities in the past year, but I feel in duty bound to dwell on them briefly here, since they complete the picture given in the report distributed to you and clarify certain points which were still obscure only a few months ago.

I refer in the first place to the decision in May of the Council of Ministers of the European Economic Community to

speed up the introduction of the Common Market. As you know, it was decided to apply, as between the Community countries and with effect from 1st July 1960, a customs duty on each product equal to the basic duty less 30 %, and provision was made for a possible further reduction of 10 % by 31st December 1961. By 31st December 1960, at the latest, member States are to undertake the first approximation to the common external tariff, on the basis of that tariff reduced by 20 %.

In addition, by 31st December 1961 member States are to abolish all quantitative restrictions on the importation of industrial goods from other Community countries.

Certain of the Council's decisions concerning agriculture are also worthy of note. The agricultural provisions of the Treaty, which have not yet been implemented, are to come into force on 31st December of this year, and the Council, on the recommendation of the European Parliamentary Assembly, has also laid down a time-table for preliminary work on a common agricultural policy.

Thus, events in this sensitive sector of the life of the Community are moving faster than could have been predicted even by the most optimistic a few months ago. The decision to expedite the introduction of the Common Market was accompanied by a "Declaration of Intent" on the part of the Council of Ministers confirming their determination to implement the Treaty more rapidly not only in the matter of the customs union but concurrently in all sectors of economic, political and social integration, and requesting the Commission to submit concrete proposals within three months.

Some mention should also be made of recent developments in the Community's social policy. The discussions at Luxembourg in May brought out the importance of basing that social policy less on the free movement of manpower than on assuring a supply of skilled labour. It was recognised that an up-to-date vocational training policy was essential in order to turn out skilled workers and qualified technicians.

The European Commission is shortly to submit concrete proposals for a Community programme which can be put into effect more rapidly and effectively as a result of the agreement reached at Luxembourg in May between the Ministers of Labour of the Community countries.

The question of the European University has also matured within the last few months. The plan for such a University, which was still very sketchy at the time I wrote my survey, has now take definite shape in a report drawn up and adopted in April by an Interim Committee under the skilful and zealous chairmanship of Mr. Hirsch.

A few days ago, the report was submitted to the Councils of the European Economic Community and the European Atomic Energy Community, which have not yet adopted its conclusions but have adjourned their discussions until a later meeting. We may nevertheless venture to hope that the project is on the point of becoming a reality.

As you are aware, the purpose of this university is twofold: to kindle a flame capable of awakening or reviving the faith of the youth of our countries in the European cause, and to give new impetus and unity to European university life.

European culture is still under the influence of the separatist policy of the past, which runs counter to the contemporary spirit of unity. That influence must be destroyed. Culture must be restored to its old independence so that Europeans may become increasingly conscious of their common ideals and values.

European unity cannot be brought about by treaties and international agreements alone; these are useful and indeed necessary, but they are not enough. Our labours will be in vain unless we can achieve intellectual and spiritual as well as political and economic unity. There is no family unless its members feel themselves a part of it. A people or a nation

exists only in so far as there is a sense of belonging. Similarly, a civilisation means consciousness of a common history.

European unity can come about only if there is a sense of belonging. Similarly, a civilisation means consciousness of a common history.

European unity can come about only if there is a historical consciousness capable of discerning the spiritual kinship beneath the differences and contrasts. That is why, in addition to our economic resources, we must also pool our spiritual energies. This is the task of the European University.

It is intended to attract European students with the aim of instilling that historical consciousness into them and giving them a synoptic view of the word, an understanding for the profound aspirations of society, a faith in creative thought and the moral strength to go on struggling towards higher ideals of freedom and human dignity.

The most important novelty in the Interim Committee's report is a proposal to set up a European Council for Higher Education and Research whose function would be to get the various activities of the university going. It would be responsible for the development of the university—and possibly for the foundation of other similar university colleges; it would arrange for the formation, around the central nucleus of the European University, of a coherent system of faculties and institutes to meet the need for Europeanisation in the various academic fields, and would take all the necessary steps to co-ordinate syllabuses, secure the equivalence of degrees and foster exchanges of teaching staff, undergraduates, information and documentary material.

The European University would thus become the cornerstone of a new plan to Europeanise certain aspects of academic life—without, of course, exceeding the limits set by the independence and traditions of individual universities. There can be no question, therefore, now or in the future, of competition between

national universities and the European University, but only of their working in with one another along the lines determined by the current trend towards economic and political unification.

As a start, the University will consist of seven departments, with a suitable number of Chairs. It was thought advisable to call them departments rather than faculties, as the latter term might give a wrong impression. Moreover, the application of the faculty system to the new university might have made its structure too rigid. Each department will cover subjects that are allied in matter and method. The European University—administered in the usual way by a Council and an academic Senate, both with multinational membership like the University itself and both presided over by the Rector—will be responsible both to the Council for Higher Education and Research and to a Ministerial Council of the member countries. Thus the die is already cast, and I hope that by the autumn of next year the new university will be able to open its doors to European students. It may be estimated that by the end of the first five years the university will have between 1,000 and 1,500 students, with a staff of about one hundred.

Florence has been suggested—and will almost certainly be chosen—as the seat of the new University. My personal satisfaction at this choice, which is facilitated by the absence of other candidates, is not, I assure you, governed by any cultural chauvinism. Florence may belong geographically to Italy, but it belongs spiritually to the whole civilised world. It is in fact, in Hawthorne's words "our old home," the home to which everyone, of whatever nationality, who loves the arts, thought, poetry or beauty in any form must always return in heart and mind. (*Applause.*)

Up to this point my remarks have been confined to decisions already taken or about to be taken regarding the internal affairs of the Community. There is no need for me to dwell on their decisive importance for the process of European unification. But our faith in the success of the Community depends not so much on domestic policy decisions, as on those of what I might call foreign policy.

You have all seen how conscientiously the Communities have sought to adopt a more liberal attitude towards outside countries, in other words how faithful they have been to the liberal spirit by which our institutions are guided and to which I had occasion to refer several times in my report.

The advancing by twelve months of the date for the first approximation to the common external tariff reduced by 20 %, the extension to third countries of tariff reductions on industrial goods, the precedent established in the case of the European University of enabling individuals, organisations and States outside the Community to take part in its new ventures—all these show that the same spirit persists and that the Community's doors remain open to the rest of Europe. This policy is not merely the consequence of the ideals which inspired the formation of the Communities; it is also based on economic reasons, since it is clear that the Community institutions can only thrive and develop in a liberal atmosphere. As though their decisions last May were not enough to prove this, the Council of Ministers, at the same session, adopted a "Declaration of Intent concerning external relations" reaffirming the Community's determination "*whilst safeguarding the needs of its internal development* to pursue, *vis-à-vis* non-member countries and, in particular, *vis-à-vis* the other European countries, a liberal policy *which takes their anxieties into account.*" The Community declared its readiness to undertake negotiations with the seven member Governments of the European Free Trade Association, with a view to settling the problems connected with relations between the Six and Seven, within the framework of the Trade Committee, which consists of representatives of the Members and Associate Members of the OEEC, the EEC Commission and the Secretariat of the GATT. "Efforts at co-operation on these lines with a view to the reciprocal reduction of trade barriers" the Declaration continues, "must respect the principles of the General Agreement on Tariffs and Trade. It is on this basis, and without calling into question the European Economic Community's establishment of the customs union on which it is founded, that co-operation can be sought, largely in the field of tariffs."

It seems to me that such a clear and explicit declaration must put an end to any suspicions, not to say accusations, that we aim at creating a jealously protected area in the heart of Europe in opposition to the unintegrated remainder—and hence to divide Europe into two camps. It need hardly be pointed out that, up to the present, the only serious attempt to break down European frontiers, to do away with political and economic nationalism and trade wars, has been made by the six-Power Community, and that the attempt has succeeded precisely because it is not a closed Community but one open to all countries willing to accept its principles and organisation. The real danger to European unity does not and cannot come from the existence of the Community institutions which have already welded together indissolubly a great part of Europe; it might possibly come from the revival of latent centrifugal forces tending to reverse the integration process and bring it back to its starting-point. And these forces would certainly be victorious and wipe out everything that we have achieved if we were to renounce the basic principles of the Community.

It is therefore both right and necessary that, while being ready to make any sacrifices calculated to allay the fears of other European countries and bring them into the integrated area, the Community should also fix limits beyond which it cannot go without the risk of losing its original character and even its *raison d'être*. The meeting-ground between the Community and the rest of Europe must be inside those limits. On this basis it would be possible to reach fruitful and lasting understandings as a necessary pre-condition of fuller and more permanent co-operation in a wider field. The chief problem outstanding is therefore to forge links which will ward off the danger of an irreparable break and at the same time allow the federalist core of free Europe to consolidate and expand. It must be remembered that "Little Europe," as it advances along the road to economic integration, a sure stage towards political unification, has no desire to be anything but the nucleus of a larger community of peoples. Its own progress depends on the active participation of the United Kingdom and the rest of Europe. It is in fact an old law of human progress that nations evolve in

proportion to their capacity to share in the general advancement. Our own efforts have always had the support of European countries which are still outside the Community. I need hardly remind you that it was Britain's foremost statesman, Sir Winston Churchill, who launched the first appeal for unity after the last war.

"We must all turn our backs upon the horrors of the past," he told us soon after the end of the war; "We must look to the future. If Europe is to be saved from the infinite misery, and indeed from final doom, there must be an act of faith in the European family . . ." When we made our first move towards unification at Messina we realised the great difficulties facing not only the United Kingdom but also other important continental countries with whom we had ancient ties—difficulties which we have neither the right nor the desire to judge or assess. But we always hoped that these difficulties would be overcome one day and that it would then be possible to unite the whole of Europe in one great Community. And because we hoped we believed, and our hope and our faith are strengthened daily.

There is even more reason today to consult our hopes rather than our fears. The recent declaration by the Head of the French State on the functions of a united Europe, and the declarations by the United Kingdom President of the Board of Trade, by the United Kingdom Minister of State and, more recently, by the Secretary of State, Mr. Selwyn Lloyd, regarding the possibility of Britain's joining the Coal and Steel Community and Euratom have opened up new prospects for European integration at a time when the world outlook has suddenly darkened.

We must not underestimate the obstacles and difficulties still in the way of a united Europe which is our ultimate goal, but the very fact that Europeans now regard this goal as one that must be attained shows that the path we have chosen is the right one and that we must continue along it, yielding neither to blandishments, threats nor fatigue, ever true to ourselves and to our ideals.

Communities conceived and created on open and liberal lines cannot stop where they are; they must grow, and growth is impossible without the revision and strengthening of their institutional machinery. Jefferson once stressed the importance of political institutions in a period of social change. He argued that, as new discoveries were made and new truths revealed, as customs and opinions changed with changing circumstances, institutions, too, must change and move with their times. He mentioned that to expect society to be governed as it was in the days of one's ancestors was like expecting a man to wear the clothes that fitted him as a child.

Well, the world in which we live is passing through a phase of radical change.

We are already at the watershed between the system of national States and that of continental States.

National States are destined to disappear with the rise of continental States. Guizot's prophecy in the last century is being promptly fulfilled. The transition from national systems to continental systems is certain to be accompanied by great strain. It is no easy matter to introduce the "new dispositions" necessary to bring the peoples round to the new outlook required for the progress of mankind. Machiavelli said that "nothing is more difficult of contrivance, or more uncertain of success or more dangerous of management, than to take it upon one to introduce new dispositions." While the great Florentine was engaged in dictating these thoughts, Europe was in the throes of the transition from feudalism and the city-State to the national States, and he was distressed at the idea that the tiny Italian States would inevitably be swallowed up by the larger States of Europe. Now, as then, the law of progress demands that political institutions keep pace with the new resources of public action and expression.

In theory, of course, there is nothing to prevent the various groups into which our continent is divided from ignoring the lesson of history and continuing to subsist under their old political institutions. But, if that were to happen, we know what

would become of Europe. The continent that has been for centuries the nerve-centre of world civilisation would relapse into political apathy and insignificance, the prelude to its inevitable decay.

It is impossible, therefore, to provide for Europe's future at this critical moment in history, unless we obey the dictates of our conscience rather than of our interest, and proceed along the path of unification with growing determination, strengthening the connective tissue of the present Communities, consolidating their institutions, extending their powers and sphere of action. In a very few years we advanced from the ECSC to the Economic and Atomic Energy Communities; we must now move on to the political Community of the Six, extending the unification process to wider areas until we have built the Greater Europe of tomorrow.

The first few years of the Communities' existence have been eventful, but those to come promise to be more eventful still. The Communities are now out of the critical period of infancy, as it were, and entering upon adolescence. We have gone so far towards European unity, in spite of some vicissitudes, that some people now think there can be no turning back. The "chain reactions" set up, they believe, will gather momentum with each new achievement until, in a short while, the European federation will be accomplished.

Optimism is justified only on the assumption that certain conditions are created and maintained, the first being the reinforcement of European democratic systems. The initial impulse to action directed towards building a united Europe sprang from that faith in the eternal values of democracy which was one of the main features of Europe's reawakening after the long night of dictatorship and war. Then, as the old national machinery was restored, and democracy lost vigour and bite, with the revival of myths which had prevailed between the wars, the momentum died down and the work of European unification advanced much more slowly, becoming virtually the monopoly of a few courageous and far-sighted persons. A sort of balance

has now been established between the traditional nationalist positions and the new European positions. Local gods and universal gods now stand face to face and we must not allow the local gods to prevail. We can succeed only if European democracy grows so vigorous and so sure of itself and its destiny as to thrust back into the wings of the political arena those forces which, secretly or openly, are opposing all attempts to transform Europe along Federal lines. The struggle for European unity is thus the same struggle as goes on in every country for the preservation and realisation of democratic ideals.

The second condition is the consolidation and perfection of Community institutions. I believe it essential, in the next stage of the Community's career, to spare no effort to adapt its institutions more closely to their purpose.

One of the moving spirits in the cause of European political unity, Jean Monnet, once said that the creation of institutions subject to new common rules was more important for the future of the inhabitants of Europe than the technical progress and growth of material resources which might be fostered by an extension of the Market. Man's experience is being continually renewed. Only organisations become wiser; they accumulate collective experience and, as a result of that experience and wisdom, man, subjected to the same rules, will undergo no change of nature, but a gradual transformation of behaviour. Institutions, he added, govern the relations between men: they are the mainstay of civilisation.

The function of the European Parliamentary Assembly can be precisely deduced from these clear statements. The powers conferred by the Treaty of 25th March 1957, wider than those conferred on the Assembly by the ECSC Treaty, allow it, indeed, to exercise political control over the Executive Commissions and play some part in formulating policies suitable to achieve the Community's ends. But these powers are not yet sufficient to bring about the decisive transformation of the present institutional machinery into a proper federal machinery. They must be increased in accordance with the spirit of the Rome Treaties,

either by proceeding alone the broad lines laid down in the Treaties themselves, or in some other way. Keeping within the bounds of the Treaties, the first essential is to reform the electoral system, replacing the present one by direct universal suffrage, for which provision is made in a measure which I had the privilege of introducing. When the Assembly comes to be elected directly by the people, the Community will have taken an important step towards real federal government. The draft prepared by the Working Party of the Political Committee, under the learned guidance of its Chairman, Mr. Dehousse, has now been approved by the Parliamentary Assembly. The work is neither complete nor perfect. Some points relating to voting procedure have still to be settled. But the important thing is that it will not be long now before the people of Europe will be called upon to elect their representatives directly and consequently to take part in the management of European affairs.

During the preparation of the draft, the question of setting up a second Chamber was mooted. This is a matter which will have to be settled in due course. We cannot neglect the argument that European political integration will be meaningless as long as national States can avail themselves of their sovereign rights to undo, if not all, at least much of the fabric of the Community which has cost us such effort. A second Chamber, which would be a Chamber of States, would eliminate this grave and constant threat.

A third stage will be when we have to face the problem of setting up a single Executive for the political Community as a whole.

This plan cannot be carried out at short notice nor, as I have said, without much hard work. It has been justly pointed out that many years of discussion were required to transform the confederation of American colonies into a federation while Switzerland's new federal system came into being after a bitter and bloody struggle. We must make long-term plans and not give way to impatience, remembering, however, that there are sometimes unique opportunities which must be seized without fear or hesitation and made to serve our ends.

If the European Defence Community had become a reality the ship of European unity would be sailing today in calmer and safer waters. States, like individuals, must learn to grasp the fleeting moment—"*carpe diem*", as Horace put it.

In spite of past setbacks, and difficulties likely to present themselves in the future I am convinced that our work will be accomplished in the end. This conviction is based on the knowledge that a European consciousness is gaining ground among the peoples and will gain still more ground when it can be translated into concrete action. The soul of Europe as a collective entity will in the last analysis determine our success or failure.

After the first World War there was a budding European consciousness; it was invoked by Benedetto Croce, at the conclusion of his remarkable history of the XIXth century, as the new spiritual ideal which ought to have guided the lives of the European peoples and freed them from nationalism and "from the whole mental attitude that goes with nationalism and sustains it." But the great philosopher of freedom added the warning that this consciousness, which raised the citizens of France, Germany, Italy and other countries to the status of Europeans, could never have meant repudiation of the smaller homeland "which would never have been forgotten, but the more and the better honoured." The smaller homeland living and thriving within a vaster homeland—that is the essence of federalism.

The federalist conception of Europe, implying a distinction between federal affairs and national affairs and conferring dual citizenship on Europeans, tends indeed to transcend, but not to stifle, national feeling and character. The point is worth stressing, since the use of the term "supranational", improperly applied to our Community, instead of the more appropriate one of "federal", has given rise to the suspicion that we are creating a new leviathan to override and destroy individual nationalities.

A federal constitution for Europe, like that adopted some two centuries ago by the United States of America, is the only

solution to the problem of European political integration, because it corresponds exactly to the historical reality and to our spiritual needs. In this tortured and unhappy Europe, which yet remains the fertile soil of noble thoughts, man's greatest and most lasting achievements have always been the fruit of a two-fold loyalty—to his own traditions and to the themes of a common civilisation.

European countries, at their most original and creative, have always been thoroughly European. But whenever they have chosen isolation, they have become incurably sterile.

We want to transcend the nationalist stage of history, but to enter on the next stage we do not need to destroy the idea of the nation. All that is required is that it should recover its original, pure meaning as an expression of the freedom and dignity of peoples. It must now be infused with a new spirit leading on to higher forms of freedom and a more consummate integration of human beings. *In pluribus unum.* The only solid foundations of European political unity are multiplicity and diversity, which alone can stimulate and strengthen the creative and constructive impulse of our peoples, so that it becomes a force for moral and social progress. A federal Europe is the only response to the new challenge. The economic Community, conceived as total integration of European economic life, can never become an accomplished fact without a political Community. Political unification and economic integration must go hand in hand. This and no other is the aim we must resolutely pursue. Those who think we should take some other course show that they do not realise the size of the stake. The alternative to political unity is not a return to the traditional balance of power but the final collapse of Europe and its disappearance from the political scene.

The present competition is one between giants. Whether it continues to take the form of a cold war, or whether—as we all still fervently hope—it turns into a peaceful rivalry between different political economic and social systems, the issue remains the same. Europe must unite—or perish, like the Greek city-

states which lacked the strength or the will to unite in a single national State.

Let us think for a moment of the united Europe of the future—a vast market with a population of hundreds of millions of men capable of satisfying all the technical needs of the atomic age and of expanding production and, hence, of constantly furthering the welfare and prosperity of Europeans. But let us think of it also as a force for peace, its growing strength forming a sure bulwark of the defence of the free and Christian West and a deterrent to any potential agressor. May this vision, which satisfies both our moral principles and our material needs, encourage our efforts and help us to eradicate the surviving causes of selfishness and suspicion!

To work for Europe today, at a time when our minds are again obsessed by uncertainty for the future, is to work for peace and therefore for the good, not only of ourselves, but of all mankind. I believe that I speak for all of you when I pray God to continue to help us and grant that by our labours we may preserve that inestimable gift of peace for ourselves and for our children. (*Applause.*)

The Chairman. — (*G*) Ladies and Gentlemen, we have listened to an admirable Report. Mr. Martino has given us a survey of the developments which have taken place in the six-Power Communities and in Europe in the course of the last eighteen months. He has also defined with great clarity the existing economic and, above all, political tendencies. He has done so from the point of view of the Six but, as I should like to stress, with great objectivity and an understanding of the problems which arose during that period. I believe the Report will constitute an excellent basis for our discussions. I should like to convey our sincere thanks to Mr. Martino.

5. *Address by the President of the Euratom Commission*

The Chairman. — (*G*) I call on Mr. Hirsch, President of the Euratom Commission, to present his Report.

Mr. Hirsch, *President of the Euratom Commission.* — (*F*) Mr. President, Ladies and Gentlemen, I feel greatly honoured in being asked to address this joint meeting of the Consultative Assembly of the Council of Europe and the European Parliamentary Assembly.

The activities of the European Atomic Energy Community are described in an annual report which was published last April and presented a few weeks ago by myself to the European Parliamentary Assembly. I do not propose to go into the details of the report, which is available to you; but I should just like to say a few words about those aspects of our activities which extend beyond the boundaries of the Community—and also to offer certain reflections on the present situation.

From the outset, the Community was anxious not to confine its activities to the six member countries. Important agreements have been concluded with the United States of America, Canada and the United Kingdom to provide for close co-operation and for exchanges of information on the peaceful uses of atomic energy; this is essential owing to the magnitude of the material and intellectual resources involved.

Under the auspices of the European Nuclear Energy Agency, the Community is taking part in two joint projects, one at Helden, Norway and the other at Windfrith Heath, United Kingdom.

A number of European as well as extra-European countries have accredited ambassadors to the Community, thus making contacts and co-operation possible with non-Community countries. To carry out its research programme not only does the Community call upon the services of nationals of member States; it also employs scientists and trainees from non-Community countries, and their numbers are expected to increase as the programme expands.

A point of general importance is that on the 1st January 1959 a common market was introduced in nuclear materials. In this new field it has been possible to carry out at once measures

which, in the more conventional fields, must of necessity be carried out in stages. This means that nuclear materials, fuels and equipment, may now be freely traded between the six Community countries without quotas or payment of duties. The common external tariff is either nil or something very moderate while reactors, reactor parts and deuterium compounds will remain entirely free of duty for a period of three years.

Ladies and Gentlemen, one of the most difficult problems, and one confronting scientists and engineers in particular, is how to keep themselves informed on current developments taking place throughout the world. The amount of published material doubles every ten years, and it has been calculated that if this rate of increase were maintained the mass of printed paper would in two hundred years be more than the weight of the globe itself!

The sphere of documentation and dissemination of information is one calling for the utmost co-operation and for a rational distribution of tasks. Euratom was particularly fortunate in concluding precise agreements with the British and American organisations. Under these agreements we have shared out the work of going through the literature and detailing the patents relating to the science and technology as well as the law and economics of the atom, as well as arranging the circulation of abstracts and the translation of publications in Slavonic and Eastern languages.

But this is not enough. A large team of scientists has been put to work on extensive investigations with a view to developing a documentation machine for recording, classifying and reproducing scientific data. The team is working in consultation with all institutions likely to be of assistance.

Public opinion is justly preoccupied with the protection of workers and the population at large against the hazards of nuclear energy which, unfortunately, made its first appearance under the terrifying aspects of a bomb. It is therefore essential that strict safety rules be enforced. One of our first concerns was to establish basic standards of health and safety. We have been

happy to note that as a result of our co-operation with the European Nuclear Energy agency the same standards have been recommended by that Agency to its members.

Because the future of mankind is so vitally dependent on the development of the pacific uses of nuclear energy, it is essential that the public become satisfied—and here you can be of assistance—that, provided regulations are respected, there are, as experience shows, no more hazards to be feared in the nuclear industry than in conventional industries.

But this is no reason for dispensing with institutions to provide for insurance and compensation in case of damage. Since damage of this kind would ignore national boundaries, it is important that the machinery in question should not be limited in scope to the territory of a given country or even to the Community. This is why we took part, with the European Nuclear Energy Agency, in drafting a Convention relating to insurance. We hope it will soon be signed and ratified by the largest possible number of countries.

Yet the protection provided by this Convention is not adequate, and we have prepared an additional Convention which we should like also to see accepted by the largest possible number of countries.

Ladies and Gentlemen, at this point I must say something of the dual aspect of our work. We have been commissioned to promote the development of nuclear energy in the six Community countries with a view to raising the standards of living and welfare of our peoples. But, as its name implies, the European Community is at the same time committed to share in the making of a united Europe. This leads us, in our daily decisions and actions, to make all our projects European in nature and, in particular, to encourage joint work by scientists and engineers from all our countries. Thus, in setting up our Joint Research Centre we decided to establish, not one, but several bodies with broad or specialised functions distributed among the various countries. And all research work for which we place

contracts with official or private institutions is being carried out by European teams.

Such work performed in common by men who are young for the most part but diverse by tradition and training—not only is useful in creating a European spirit but proves exceptionally fruitful as well. This should come as no surprise to us if we remember that in the early development of nuclear energy in the United States there was close co-operation of scientists from many different European countries.

Co-operation at the technical level, however, is far from sufficient. To produce Europeans we must begin at school. An experiment started a few years ago by a longer-established organisation, the European Coal and Steel Community, namely the European School at Luxembourg, has been highly successful. The experiment has shown the fruitfulness of a system whereby children from the six Community countries take lessons together from teachers of six different nationalities. For example, it has been possible to prepare a common history book, a fact of obvious significance in a subject where past misunderstandings must be dispelled and future conflicts prevented.

The *baccalauréat* granted by the school opens the door not only to all universities in the Community countries but also to the universities of Austria, and we have just been informed that it is regarded as equivalent to a French *baccalauréat* for purposes of entrance to British universities.

A similar European School has been set up in Brussels with equal success, and other European schools are planned in the vicinity of each of our research establishments.

This first phase will soon be followed up by a step more significant in our opinion: the establishment of a European university in Florence, of which Mr. Martino has spoken. I will not go into that again except to say that, unlike the conventional universities where the enrolment of foreign students is small and foreign professors are rare or non-existent, the Flor-

ence University, where no single nationality must take up more than a third of the total enrolment, will make it possible for teachers and students from all of our countries, and for that matter from non-Community countries, to live and work together.

As Mr. Martino said, it is not a question of establishing at the outset an entire university, complete with all its faculties, but of organising courses in the subjects most urgently needed in the process of building Europe.

Living and working together should accomplish something which in our opinion is essential *i.e.* the development of our culture and civilisation, all that is most precious in our common inheritance.

The emphasis will be chiefly on the humane sciences, those affecting the individual and society. There can indeed be no doubt that the main tragedy of the modern world is due to the widening gap between our knowledge of the human being and the progress made in the exact sciences and technics.

Other more specialised European Institutes of learning and research are to be established in association with the European University, and a parallel movement of teacher and student exchanges will be encouraged between existing universities on a far greater scale than hitherto.

Ladies and Gentlemen, with your permission I should like to pass beyond the scope of Euratom and its university institutions, whose creation will be our responsibility. My colleagues, the President of the Commission of the European Economic Community and the President of the High Authority of the European Coal and Steel Community, will be speaking after me. I should like to draw your attention to one particular idea, the importance of which cannot be over-emphasised.

Although, owing to the development of historical events, there have been three treaties and three Executives there is, in fact, only one Community, the proof being that we are responsible to only one institution, the European Parliamentary

Assembly, which can turn us out through a vote of censure. By the same token, there is also one court, the Court of Justice at Luxembourg.

Our common goal, underlying our specific responsibilities (embodied in rules that differ inasmuch as the problems involved differ and in the same way as, for a given country, the law is not the same in all fields), is the making of a united Europe.

Naturally, our six countries alone do not pretend to represent Europe any more than the United States of America represents the whole of America, but our six countries have a total population of 170 million, a figure nearly as large, even without counting overseas territories, as the population of the USA.

And our Community, as you know, has nothing exclusive about it. From the opening of the negotiations, and now through explicit provisions of the three Treaties, the Community has been and still is open to the accession of other European countries animated by the same ideal and prepared to accept the rules and obligations prescribed by the Treaties.

Ladies and Gentlemen, a short time ago we were celebrating the tenth anniversary of President Schuman's historic statement. I do not mean to read it out to you again, although I am tempted to do so, but I feel certain that if any of you are interested in going through it again, you will note the breadth of vision, the far-sightedness, which inspired it. If there is one problem recognised at present by every one as critical for the future of the world and the survival of the values dear to us, it is the problem of the backward countries.

On 9th May 1950 Robert Schuman said "Europe will be in a stronger position to pursue one of its essential tasks; the development of the African continent."

More significantly still, Schuman began by expressing the main concern of the modern world: the preservation of peace.

My dear fellow-Europeans—if I may so describe you—nothing is more the proper study of mankind. Did not we—or our fathers—say after the first World War that a second one was impossible? Did we not say, each time a new weapon was forged, that is was so terrible as to make war unthinkable? We must beware of falling, through lack of imagination, through apathy, into the same errors, the same dangers and the same catastrophes. If we do not alter the whole environment, if we do not radically modify institutions and structures, there is no good reason to think that history will not repeat itself.

The need for a united Europe, proclaimed by Robert Schuman ten years ago, is now more urgent than ever. Whatever mistrust and apprehensions remain must be dispelled, and we must have a firm answer ready for anyone who should be tempted to awaken bygone differences.

Such an answer is not to be found in transient associations and arrangements that are at the mercy of changing interests or circumstances, but in institutions based on permanent rules acting as common bonds for national individualities and where diverging interests are transcended by all that we have in common.

In the present state of the world, faced as we are with this rising tide, these enormous masses thirsting for progress and power, let us not forget that the most brilliant civilisations are mortal. Let us keep in mind the ancient Greece and let us see to it, that our Athens, Sparta and Thebes form, for their common welfare, not a league but a union, an indissoluble unit capable of resisting all assaults and of being a shining example to all mankind.

The Chairman. — (*G*) Thank you, Mr. Hirsch, for your most substantial and explicit Report.

6. *Alteration in the Orders of the Day*

The Chairman. — (*G*) I should like to draw your attention to a change in the Orders of the Day. This afternoon, after

Mr. Hallstein, Mr. Vos will be speaking as Rapporteur of the Economic Committee of the Consultative Assembly on the Reports of the High Authority of the European Coal and Steel Community and the European Economic Community.

7. *Address by the Rapporteur of the Political Committee of the Consultative Assembly*

The Chairman. — (*G*) I call Mr. Smithers, Rapporteur of the Political Committee of the Consultative Assembly.

Mr. Smithers, *Rapporteur of the Political Committee of the Consultative Assembly.* — I have the honour to address the Joint Assembly on behalf of the Political Committee of the Consultative Assembly. I think the Political Committee would wish me straight away to acknowledge and welcome the tremendous amount of work and thought which Signor Martino has put into his Report, but I think even more they would welcome the spirit of good will and the desire to find solutions to problems which is to be found in every page of it and which was so evident in the eloquent speech which we heard from him this morning.

I do not think I should be far wrong in interpreting the sentiments of members of the Consultative Assembly by saying that we hope that this friendly approach to ourselves prevails at every level of the body over which you, Mr. President, preside with such distinction, and in all its organs. There are, after all, in the world today enough sources of friction without our adding to them, and it is fortunate today that we are able to meet together in this atmosphere of friendship to discuss problems with which both our organisations are intimately concerned.

At the outset of his Report, Signor Martino said something with which both Assemblies will agree:

> "The political unification of Europe is our only means of advancing the values for which our peoples have been living and striving for centuries."

General de Gaulle, in a recent speech, put the matter in that succinct way to which we are becoming accustomed, and which adds so much to the delight of politics, when he said:

"Alors l'Europe redeviendrait le foyer capital de la civilisation."

That, I think, epitomises the aim of all of us.

I suggest that it is our duty today to consider whether we can discern some modest steps forward which we might take in order to arrive at that end. We are gathered together here today from all over the Continent in which we live, and I think we would all agree if we reflect upon the matter that, after a period of some rigidity in the affairs of Europe, we are now living in a period of exceptionally rapid change, change of every kind and on every hand.

First of all, it is clear from the Report of Signor Martino and from his speech, and also from the interesting speech made by President Malvestiti, in this building, to the Consultative Assembly not long ago that the very success of the European Economic Community has brought about new situations. Its own triumph has created new problems and a great deal of rethinking is going on within the Communities about their relationships with one another and in both our Assemblies about the possibility of holding European elections, and other matters of that sort.

Secondly, it is worth suggesting that anybody who has recently been in Switzerland will have noticed a significant shift in thinking in that country on European problems, and we in the Consultative Assembly have been delighted to find that Switzerland is moving in our direction. We take this to be but one symptom of a change in Swiss opinion which may be of great significance in the years to come. Of course, what Switzerland thinks is bound to have certain repercussions in the case of Austria, for there are analogies between the positions of both countries. I do not doubt that, if the Swiss are considering anew their position, our Austrian friends, who got to the

Assembly of the Council of Europe first, are also thinking again about their position.

Then there is the significant development in the relationship of Greece and Turkey with the Six. This again poses a large number of new problems and new opportunities and requires new thinking. Now I come—and I endeavour to do so in the spirit of a Rapporteur—to the British response to the recommendation of the Assembly of Western European Union that Britain should join the Euratom Community. I know that the British response, in which, subject to certain conditions, it was suggested that my country might associate with both Euratom and the Coal and Steel Community, has been greeted with some scepticism.

If I may take advantage of special knowledge in this matter, which derives from my nationality, I should like to suggest that this move should be seen against its background. It is remarkable that after a long waiting period, due no doubt to the difference in psychology between those who have lived in Britain in recent years and those who have gone through the experiences of the continent in recent years, there is a real and remarkable change of opinion. The Federation of British Industries, on the one side, and the trade unions, on the other, have joined together in expressing their concern that sound solutions should be found to the problems of Europe. In the Press in recent times a marked broadening of view has been apparent. In Parliament the educational work done by the Consultative Assembly upon all of us is beginning to bear fruit. Very large numbers of us have served our apprenticeship.

I do not pretend that a simple politician can hope to penetrate the sphinx-like mask of the *fonctionnaire* of the Foreign Office, but I think I detect a slight change of view there favourable to these ideals which I have so strongly held and, finally —most formidable portent—a British Foreign Secretary has admitted in this very building that we might have misjudged the situation.

All of these things, I think, go to show that the British response is not just some very clever device to try to confuse and mystify those with whom we have formerly been in controversy, but it is soundly based upon a real change of opinion. It will be justly objected—and here I return to my role of Rapporteur—by many in both Assemblies that it does not make sense for Britain to adhere simply to two of the Communities, particularly at a moment when the Communities are themselves discussing whether they should not reorganise or amalgamate or in other ways adjust their relations one to another.

I think it is not unreasonable for us to assume that in a high matter of this sort in testing out public opinion at home and abroad we could hardly expect the British Government to come forward with some tremendous, dramatic, irrevocable gesture. It is, however, noticeable that in their speeches British Ministers have not closed the door to the relationship of Britain with the EEC and that, on the contrary, they have been at some pains to leave it very widely open.

To me, if I may adopt the role of the former gamekeeper now turned poacher and give what Signor Martino might call Machiavellian advice to the Assemblies, I suggest the riposte which might be made to the British Government. Surely now the Six might come forward and declare in principle that Britain and her partners in the EFTA would in principle be welcome as members of the EEC itself. They would then clearly place the onus upon Her Majesty's Government to satisfy them as to the genuineness of their good will in this matter while at the same time demonstrating unmistakeably their own desire to reach a solution.

The next important development I want to mention is that in recent French policy. I want to quote very briefly three speeches. General de Gaulle, on the last day of last month, said:

"Que les nations qui s'associent ne cessent pas d'être elles-mêmes, et que la voie suivie soit celle d'une coopération

organisée des Etats, en attendant d'en venir, peut-être, à une imposante confédération."

On the 14th of this month, Mr. Couve de Murville said:

"The basis of our policy must be active co-operation of States, that is, of Governments. Thus we shall arrive one day at that imposing confederation of which General de Gaulle has spoken."

On the 16th of this month, Mr. Debré said:

"This union is neither a fusion nor an integration. It is a co-operation, and it is by that way that the European fatherlands can establish between themselves that link of a confederal type to which the President of the Republic has clearly referred."

I think it is our duty in this Assembly to face the fact that there seems to be here a discrepancy of view. That discrepancy carries with it certain disadvantages and certain advantages.

Some in our Assembly—and I am one of them—will regret that the French view does not go further in a federal direction. Others, on the other hand, will feel that at the present time a modification in the progress towards federation amongst the Communities, a pause for consolidation, may well afford an opportunity to reconsider their relations with the rest of Europe and to see if there is not now a chance to approach once again the question of the great European market which I believe we all at heart desire to achieve.

My own personal belief has always been that an over-hasty approach to federation was bound to divide Europe, but I have also believed that a patient building up of the economic basis for the greater Europe would in fact result in a broadening of the supranational principle and would eventually lead to a fuller economic and political integration of our continent.

I remember the wise words of M. Schmal spoken long ago in this building: "The longest way round is often the shortest

way home." Some of us have proceeded with much success by the short way. Others have had to take the longer way. Our hope is that we shall all get there in the end together.

But I should be less than candid as Rapporteur if I did not recognize that the current French policy appears to conflict with the thesis put forward by Mr. Martino in his speech as well as in the document which is before us, and, indeed, with the speech of Mr. Malvestiti to the Consultative Assembly when he said:

> "The supranational principle is proving not merely a political concept and method but also an instrument of economic policy. Once its validity has been established and confirmed, that instrument should be constantly worked up and reinforced."

I think an impartial student might be excused for thinking that the two sides of the particular argument were discussing a different institution, and I think that we in the Consultative Assembly as a whole are entitled to say to the Six, first of all, that we very much hope that their policies will be clarified because it is important for those not in the Six to be clear in their minds as to the real tendencies of policies within the Six. It makes it quite certain that we must pause to consider this matter, and we hope that the period of pause will be a period of consolidation.

Politics is the art of what is possible and the art of seizing the possibility when it occurs. If I for one prefer the approach of Mr. Martino to that of the present French Government, I am at the same time forced to recognize that in the policy of the French Government we are given an exceptional opportunity to reopen the question of the relations of the wider Europe and the smaller Europe, and I hope that that opportunity will not be lost. Wherever we look now new approaches are needed, and such a moment almost compels a fresh discussion of the unification of the greater Europe.

Some say that the present division of Europe is not serious and that it will pass away. We all remember that terrible night when we were young on which we saw a horrible spectre at the end of the bed and kept our head under the bedclothes and waited till it had gone away, which, of course, it did. I do not believe that the division of Europe will go away if we simply put our political heads under the political bedclothes. I believe that the technical solution of the problem is perfectly within our power. At the same time I am convinced that it is possible to raise innumerable technical difficulties to this solution if one wishes to do so. The institution of committees will not be enough unless they receive directives to settle the problems involved. In fact, what is required is that our Government should will the end, and I suggest that it is our task to urge our Governments to will the end; in other words, to will that they should take the opportunity to solve our problems while there is a favourable conjunction of circumstances, which I believe there to be.

I shall be excused if I refer once again—because I believe it to be a key matter—to the pronouncement of the French Government. General de Gaulle in his recent speech said :

> "Sans doute les participants ne veulent-ils pas que cette institution puisse blesser les autres pays de l'Europe, et on doit compter qu'un accommodement sera trouvé dans les intérêts."

I think most of us who have struggled in the cause of Europe feel that there is a modest expression of hope. True, it is an incontrovertible proposition. We all hope that. But I must confess that there is something a little chilling about those words. The speed of a convoy is that of its slowest ship. The convoy of the Eighteen must inevitably keep the speed of the French ship. It is apparent to me that the French ship has only just enough steam up in this matter to blow the whistle. I for my part am an incorrigible pro-French man both by sentiment and by conviction and logic, and I should like to say that I am glad at any rate that the fires are lit beneath the boiler

and that steam is being raised, and I look forward with pleasure to the day when the French vessel, sailing upon the seas of Europe, will head the convoy. In saying this, I like to think of all those other French political vessels at this moment most gallantly and successfully sailing upon other political seas, and I wish them well on their journey.

I think that if we are to ask our Governments for an act of will there is one condition in Mr. Martino's report which we must be ready to accept, particularly those of us who are not within the Six. In his Report he says:

> "The European Assembly has stated that any changes introduced must in no circumstances diminish the powers of the Community organs. It is firmly resolved to stand by that view."

I think we would be wise—and I think it is indispensable in the light of the great achievements of the Six—to understand and accept the feeling which lies behind that statement. If we do that then I believe that, with greatly increased authority, we who are not in the Six can turn to those who are within the Six to ask them for the act of will which we wish to take with them.

The prizes of success in this matter are well understood. I am not sure that the penalties of failure are quite so well understood. General de Gaulle wisely pointed out:

> " . . . il dépend uniquement de Moscou ou de Washington qu'une grande partie de l'humanité soit écrasée en quelques heures."

So long as we in Europe are divided, we inevitably remain in the ignominious position of satellites of one of the great Powers. So long as we in Europe are divided, we who have always been the great explorers, both in the physical and in the spiritual field, will be too small and will be excluded from the grand adventure of the exploration of space in which physical

exploration and philosophical exploration go hand in hand. So long as we are divided, the peoples who brought light to Africa will afflict that great continent as well.

In an age when economic war is more and more tending to replace military war and when the economic potential is the deciding factor in manufacture of military weapons, I cannot help feel apprehensive that, while rejoicing in having solved the differences which have afflicted Europe—which arose between France and Germany in the last 75 years—we may be running some danger of reviving the differences between France and Britain which afflicted Europe for five centuries.

These things cannot and shall not be. Therefore, I conclude with the words of Mr. Martino, who observed: "The little Europe of today is but the nucleus of the greater Europe of tomorrow, and these two Europes, the present and the future, are bound by one destiny. They stand or fall together."

Both Assemblies can join in willing that they stand together. Those who elected us expect us to see to it that they do so. We cannot, and we dare not, disappoint them.

The Chairman. — (*G*) Thank you, Mr. Smithers, for your speech, which cannot fail to have a stimulating effect on our debates.

I shall now suspend the Sitting; it will be resumed at 3.30 p.m.

(*The Sitting was suspended at 1 p.m. and was resumed at 3.35 p. m.*)

The Chairman. — (*G*) The Sitting is resumed.

8. *Programme of Work*

The Chairman. — (*G*) I should like to say a few words about our programme of work after discussing the matter with Mr. Federspiel since the sitting this morning. We now have two Reports on the agenda, the Reports of the President of the High Authority and of the President of the Commission of the European Economic Community. After that Mr. Vos will take the floor as Rapporteur of the Economic Committee of the Consultative Assembly. He will deal with the Reports of the three Presidents; Mr. Smithers this morning spoke on the General Report of Mr. Martino.

We had suggested that the discussions be divided into three parts; (1) fundamental questions; (2) external relations of the Community of the Six; (3) special questions. Only very few speakers have put their names down for the last part, mainly speakers on the subject of the European University.

President Federspiel and I propose that those members who wish to speak about the European University—and they put their names down early—be given the floor first and that afterwards the General Debate be opened.

We have, moreover, realised that it is not possible—in spite of the diversity of the subjects announced—to make a distinction between fundamental questions and questions concerning external relations. Both are fundamental and therefore interdependent. Accordingly, after the special questions have been discussed, we shall have one comprehensive political debate. It will begin after Mr. Vos and three speakers on the European University, Mr. Lannung, Mr. Kraft and Mrs. Rehling have taken the floor.

Eleven more speakers have put their names down for this afternoon and twelve for tomorrow morning. The first speaker tomorrow morning will be the British Under-Secretary of State Lord Lansdowne; Mr. Martino and President Hallstein wish to reply at the end of the discussions. I can only call on the eleven members who have expressed the wish to speak in the General

Debate this afternoon if speakers make an effort to be concise. Otherwise it will not be possible to hear, in addition to the Presidents, the Rapporteurs and the three members who wish to speak on special questions, the eleven other speakers by 7 or 7.30 p.m. I do not, of course, wish to impose a time-limit on speakers.

I assume that you agree with these proposals.

I note that there are no objections.

9. *Address by the President of the High Authority of the European Coal and Steel Community*

The Chairman. — (*G*) We shall now take the next item in the Orders of the Day. I call on Mr. Malvestiti, President of the High Authority, to present his Report.

Mr. Malvestiti, *President of the High Authority.* — (*I*) Mr. Chairman, Ladies and Gentlemen, fate decrees that I should address this meeting at a particularly difficult juncture in European and world politics. Once again the Summit Conference has proved—if proof were still needed—that world policy is no longer made in Europe or at any rate that Europe is no longer the prime mover in that policy. The failure of the Summit Conference has borne in upon us the need for European unity. But what a change in spirit from the time when we were laying the groundwork of the Consultative Assembly of the Council of Europe! To be sure, the idea of a united Europe has made its way since. Facile excitement and expectation have been followed by hard times and disappointments. The idea, nevertheless, has acquired depth and momentum, if it has lost some of its glamour and romantic appeal.

Today's meeting has brought together men who have been conducting two different kinds of experiment, both inspired, it is true, by the same idea of European unity but carried out by different means. The occasion therefore is a very solemn one, and I freely admit that I am deeply moved by it. My duty now is to

report to you on the activities pursued over the past year by the High Authority in its efforts to remove the obstacles which stand between us and European unity, or to establish the conditions preparatory to such unity. If I use those words—rather than administrative or legal terminology—it is because, historically speaking, they do actually describe the mission of the Executives and the motive behind their daily work.

The year 1959 was certainly a turning-point in the history of the European Coal and Steel Community, for it was the year when the coal crisis came to a head. Stocks were rapidly piling up at the pitheads, reaching enormous proportions. Mining companies' capital was getting heavily tied up, output was being stopped or slowed down and as a sorry consequence of this situation, short-time working was making its appearance.

An accurate picture of the causes which brought about the crisis was drawn in this House by my predecessor, Mr. Paul Finet, when reporting on the first emergency measures taken by the High Authority. These measures could not be fully effective, however, partly because of the situation in the Belgian coal mines. The High Authority in office at the time proposed that Article 58 of the Treaty, under which production quotas may be imposed, should be invoked. This, undoubtedly, was a bold, drastic solution. But the Council of Ministers would have none of it, and the new High Authority, which came into office in September 1959, had to seek another way out. Meanwhile, the situation in Belgium had further deteriorated, and the time had come to enforce Article 37, which the High Authority did, for the first time in the history of the Common Market. This was not only a very serious step but also a fundamental illustration of what the Treaty understands by joint action. The purpose of Article 37 is, on the one hand, to protect member States in whose economy "an action of the High Authority, or a failure by it to act, is of such a nature as to provoke fundamental and persistent disturbances" and, on the other hand, to safeguard in any event the "essential interests" of the Community as a whole. Therefore, in applying Article 37, the High Authority must reconcile the diverging interests of the Community and of a single member

State. Here is a classic example of supranational intervention, in which a solution is not imposed by a central authority exclusively interested in the common welfare, as would be the case in a unified political system; nor is it left to the choice of the State concerned, as would be the case in a non-community system; rather is it reached through an intermediate procedure allowing an independent but joint authority to effect the reconciliation of divergent interests.

To prevent the occurrence of "fundamental and persisting disturbances" in the Belgian economy, where coal mining plays a major part, it was essential, in the High Authority's view, to speed up and intensify the reorganisation scheme put forward in July 1959. In revising this scheme, the High Authority and the Belgian Government came to the conclusion that 95 million metric tons of capacity would have to be shut down between now and 1963.

But the new scheme has to be carried out without causing undue economic and social hardship or without further disorganising the Belgian coal market. Therefore special precautions have had to be taken to restrict imports from outside as well as from within the Community; to prevent an unduly rapid rundown of existing stocks and to allow for the fact that the need to restrict imports from other Community countries must entail the restriction of deliveries to the same countries, if the difficulties are not merely to be shifted to other areas.

Reorganisation schemes are now in effect in other coal-mining countries of the Community, and have been reflected by an overall production decline of some 12 million tons between 1958 and 1959.

Meanwhile there has been a gradual improvement of productivity. The introduction of new working hours in the Ruhr has resulted in another sharp rise in relative output, which is expected to reach 2,000 kilograms per man-shift before the end of the year, equivalent to an increase of 30 % in three years.

It was unfortunate that the reorganisation of the Community's coal market had to include measures restricting imports from non-Community countries. But no effort has been spared to preserve the good commercial relations prevailing with these countries, while meeting the inescapable requirements of internal reorganisation. Nevertheless, 1959 coal imports from non-Community countries still amounted to 19 million tons, a larger figure than in 1953 and 1954.

The coal crisis directly affects the economy of producing areas and threatens their social stability. As a consequence, it raises the serious question of regional re-conversion, the answer to which is expected to yield very useful information, not restricted merely to our Community's specific problems. Indeed, the coal situation has again drawn our attention, with more urgency than ever, to the need for the co-ordination of energy sources. One of the most important tasks of the new High Authority has been precisely to investigate certain ideas capable of shedding light on that matter. The problem essentially is to supply energy at the lowest prices and in quantities and qualities coming constantly closer to the requirements of the consumer, who in any case must retain the maximum freedom of choice and decision. The solution, however, is not as easy as it may appear, owing to the necessity of allowing the coal industry sufficient time for an orderly retreat to stronger positions, and thus avoiding sudden social disturbances in certain areas.

The under-developed areas, however, must benefit to the full from the cheapest sources of energy. Meanwhile, in association with the Governments and industrial circles the High Authority and the Commissions have prepared the balance-sheet of the Community's energy requirements and availabilities for 1960. This is a document of considerable interest, if only because it is the first one of its kind to have been successfully drawn up.

Problems raised by the co-ordination of energy policy are undoubtedly serious and complex, for social considerations here mingle with the demands of varying development schemes and measures taken in accordance with the prevailing economic

policy. Yet I feel confident that our efforts will be successful and furthermore that our experience and findings will prove of great interest even to countries outside the Community. I shall even go so far as to predict that a need will grow for a co-ordinated energy policy that would not stop at the six countries of the Community but would include other European countries. This meeting has brought together politicians with a yearning to achieve greater European unity, even though they may not always agree on the road that leads to it. Nevertheless, there has been a common trend towards closer economic collaboration, whether in practice it takes the form of the Common Market or of the Free Trade Association. What can be the aims of these great economic entities, save to secure and speed up the development process? But sound development is based on sound economic policy. In view of the clearly international nature of the markets for certain sources of energy it may very well be that tomorrow the common interest will require the establishment of a co-ordinated energy policy on a wider scale than that of the Six. Moreover, an experiment in co-operation, restricted to a specific sector and involving economic development on a joint basis, would undoubtedly provide a useful pointer towards a gradual reconciliation of our respective positions.

The steel market behaved in 1959 quite differently from the coal market. The marked revival in general economic expansion from the spring of 1959 onwards was directly reflected in the iron and steel industry of the Community, which had already had to meet a strong demand from third countries during the winter.

In 1959 the Community's steel production reached an all-time record of 63 million tons. The Community is thus keeping up its share of world production, approximately equal to a fifth, as well as its rank as the second largest world producer. In the first months of this year the annual rate of production was higher still, and today the Community's iron and steel industry is producing at the rate of 70 million tons a year. While this progress is due in part to general industrial expansion, the fact remains that such a performance has never been equalled: it compels the attention of all observers, and is quite a welcome encourage-

ment to those who believe in the fertility of the principles underlying the Common Market.

Passing now from the subject of output to that of price movements over the last few years, I should like to stress another fundamental development. Over the last seven years average internal prices of Community steel have increased at a much slower rate than prices in the United Kingdom and the United States of America. Certain grades are now actually cheaper than their counterparts produced in those two countries.

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The basic problems at present affecting the coal and steel situation are patently problems of structure. We are on the eve of a technological and economic revolution which in the years to come will bring about economic and social changes directly bearing on our ways of life. With such prospects ahead, the primary concern of those responsible for the making of economic policy should therefore be with the problems of man as a human being and especially as a worker. They will have to make sure that the cost of progress achieved in the economic and social structures, and enjoyed by society as a whole, is equitably borne by everyone.

The framers of the ECSC Treaty were perfectly aware that the establishment of a Common Market — which would remove customs barriers as well as any form of competitive discrimination—would induce a sweeping process of reorganisation compelling some firms to modernise, others to specialise, and still others to close down.

Such was the premium to be paid for the insurance of a better future for all. But the authors of the Treaty made a point of including special provisions to safeguard workers which might be compelled to change jobs. Thus provisions came to be inserted dealing with the readaptation of labour, in virtue of which the High Authority may grant non-reimbursable assistance in order to tide workers over while waiting for new employment:

the payment of resettlement allowances; the financing of technical re-training for workers who are compelled to change their employment; or funds to ensure that firms can continue to pay the wages of workers temporarily laid off because of a change of activity. This type of assistance, however, was made conditional upon unemployment being the consequence of the establishment of the Common Market and was due to lapse on 10th February 1960, since by that date it could be assumed that the consequences of the establishment of the Common Market had lost their impact. During the period under consideration, the High Authority earmarked more than 42 million dollars for readaptation measures affecting over 115 thousand workers. After 10th February 1960, however, the possibility of financial intervention by the High Authority was not altogether ruled out. The only condition for eligibility was that unemployment must be due to "technological progress."

In fact the current coal crisis is not technological but structural in character. The High Authority was therefore unable to act when faced with the social implications of this crisis. However, provision had been made for the Treaty to be modified without the need of subsequent ratification by national authorities, if a profound change should occur in the economic or technical conditions. The High Authority and the Council must then submit proposals for such modification to the Court. If the Court recognises that they conform to the fundamental principles of the Treaty, it will issue a favourable opinion, following which the proposals are referred to the European Parliamentary Assembly and will enter into force if they are approved by the prescribed qualified majority.

Recently the Assembly of the Six—completing a procedure involving a minor revision of the Treaty initiated by the High Authority—approved a proposal to extend the powers of the High Authority as regards readaptation to cases where unemployment results from structural crises in the coal and steel markets. Under this new provision of the Treaty, the Governments, the High Authority and the Trade Unions will be able to tackle the problems posed by the reorganisation of the coal markets in a

more relaxed atmosphere. In point of fact, the political import of this successful attempt to modify the Treaty goes deeper than its technical significance. For the first time since its establishment, the European Parliamentary Assembly was not called upon merely to vote on motions or to deliver opinions, but to establish concrete, legal provisions for direct enforcement in each of the Community countries. The European Parliamentary Assembly was thus actually required to exercise a legislative function, the most fundamental function of any parliament. On this occasion, also for the first time in the history of the ECSC, the four institutions of the Community made full use of their powers in connection with the same specific problems. Thus it was that between 1957 and 1960, we witnessed the Assembly embarking upon the discussion and then reopening it, while the High Authority went through all the details of the problem and, acting as a stimulant, urged that it be solved; we observed the Council exercising the moderating influence imposed by national requirements, the Court meanwhile safeguarding the true meaning of the Treaty by interpreting with a perfect sense of balance the demands of the changing times; and, finally, we were to see the Assembly adopt a legal provision of European scope.

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I would not have dwelt upon this episode if I had not felt the need to illustrate—for those who did not directly share in our experiment—the interplay of dynamic factors within the system of checks and balances represented by the powers of the Community's institutions.

To turn from inward to outward things, *i.e.* to consider the relationships between non-Community countries and the Six we can see that :

1. The establishment of the large economic entity in the shape of the Common Market for coal and steel has favoured, rather than hindered, the development of trade with third countries. One need only glance at international trade statistics to verify this;

2. The Community for its part consolidated and intensified this trend by concrete measures. I have in mind the new external customs duties on steel which have been harmonised and have been levied since 1958 at much lower rates than those provided for by the General Agreement on Trade and Tariffs (GATT), thanks mainly to the co-operation of France and Italy which had to make the biggest concessions.

Since the external duties were harmonised, in February 1958, imports of cold-rolled products increased by 15 % between 1957 and 1959, while pig-iron imports doubled in the same period.

For coal, unfortunately, things did not take so favourable a turn. Yet only a short time ago it was a commodity of which the free importation seemed to involve few problems. I shall not go into details of the latest difficulties which we know only too well; besides they have been described in Mr. Martino's well-documented report and in the exhaustive account which my predecessor Mr. Finet delivered here last year. I shall therefore confine myself to a few brief remarks on the subject. If we had to restrict imports it was because of a situation where an overwhelming excess of supply had come hard on the heels of a period of shortage. When the High Authority in 1958 felt bound to recommend the Federal Republic of Germany to impose an import duty on coal, it emphasised that the measure was only temporary, and it will carefully reconsider, at the end of this year, whether in 1961 this duty will still be an appropriate means of solving the difficulties of the Federal Republic.

In the case of Belgium, too, the restriction on coal imports, which has been recommended, is only a temporary measure designed to facilitate the adaptation of the Belgian collieries to the new market conditions.

The Community is the largest and most efficient coal producer on the Continent. Its production surpluses played a major part in supplying almost all other European States up to the beginning of 1958.

From that time on, lower freight rates enabled American coal to become competitive on the traditional ECSC markets. Then, further threatened by the growing competition of other forms of energy, the export potentialities of the Community started to shrink and the balance between output and outlets could not be maintained. I should like to stress the fact, however, that the Community's response to this difficult and dangerous situation was unlike what any individual State would have done as a matter of course. The Community did not close its borders to third countries in order to compel the home consumer to exhaust, first, the surpluses of the Community; on the contrary it imported 31 million tons of coal from third countries in 1958, *i.e.* at the start of the crisis and again 19 million tons in 1959.

I want, if I may, to close the subject of relations with third countries by adding a few words concerning the Association Agreement between the ECSC and the United Kingdom. Before measures were taken to relieve the coal markets of the Federal Republic and Belgium, the matter was put before the Council of Association and I should like to stress here the understanding attitude of the British authorities with regard to the necessity for such measures.

Mr. Chairman, Ladies and Gentlemen, before I conclude this Report allow me to make a few more remarks, born of the unusual experience which I have been privileged to acquire at national as well as Community levels.

This old continent of ours is in quest of new methods of living together; methods of co-existence and co-operation between nations; methods in keeping with the political and economic habits of great nations divided by their respective traditions and régimes but bound together spiritually by a common European culture. Our joint presence here today provides the proof. The method which the European Coal and Steel Community has been testing for the last eight years is the boldest ever applied. It is a method which supplants nationalism and which, to quote its sponsor, Robert Schuman, "lies half-way between, on the one hand, international individualism, which considers national

sovereignty as sacrosanct and accepts limitations of sovereignty only in the form of temporary, revocable treaty clauses; and, on the other hand, a federation of States which is subordinated to a super-State endowed with its own territorial sovereignty." It is a method of balance between nations which guarantees a common approach to the main questions while leaving autonomy inviolate. It is a method of reconciling historical forces and knitting them together, a method which goes much further than the search for a mere balance of power—a sterile pursuit, if the truth be told—and gives impetus to the quest for new and more productive balances.

But that is aiming at an ideal state of affairs. The stark reality is that in Europe leader-States, to which other European States would look for a common policy, are now no more. Conditions today call for a system which is more than a mere jumble of interacting centrifugal forces, capable at best of securing a respite but not a real peace, a balance of power but no true progress. We must evolve a system which ensures at least a basis for a common approach, a system whereby all the European peoples may contribute their political, economic, social and moral forces to a Community which can pool their efforts by deliberate application of the majority rule, the only clear and accurate answer to every problem.

But our Community is a club open to other countries and doubly so. On the one hand, it is open to any State willing to join with equal rights and duties; on the other hand, it welcomes any form of association which may be in the interests of those who enter into it. It may very well happen that, in the near future, European nations realise the need to co-ordinate their economic policies in basic sectors—particularly energy—or to co-operate more closely and more specifically on development problems.

If and when such a time comes, the experience of the European Communities—and that of the ECSC in particular—will be invaluable to all nations concerned, for the Community countries are consciously working—as the other nations of the Council of

Europe do, but with different means—toward the same noble ideal, the unity of Europe.

May I recall to this joint meeting of members of the two Assemblies, whose political acumen I do not under-estimate, that there was a previous occasion in history when Europe was given the opportunity of playing the winning card for peace. That was immediately after the First World War, when President Wilson visited the European countries and was greeted by the masses as the peacemaker or, rather, as the only man who had succeeded in liberating the nations from the political yoke which had been at the root of the catastrophe.

If the League of Nations had not been suggested at once, Governments would have been overthrown in a universal movement of fierce revolt. There has not been enough emphasis on this early role, decisive as well as irreplaceable, of the Geneva organisation.

But there was little relation between the alleged ambitions attributed to Britain, France, Italy, Germany and certain other countries, still considered with Machiavellian cynicism as having a "will to power", and the individual feelings of the Britons, Frenchmen, Italians and Germans—feelings still half-formed, indeed, but sufficiently revealing as the expression of their will.

This historic opportunity was missed. Let us frankly admit that civilisation, inasmuch as it embodies a conscious compulsive yearning for more peaceful and nobler ways of life, had developed faster than specific political organisations. These were not yet ready to exercise the functions for which they had been established. They met with forms of resistance such as the jealous sovereignty of individual States; the need for real, concrete security, independent of the whims and decisions of a super-democracy or of an international assembly with ill-defined powers and unknown or unforeseen strength; the mistrust felt by the political realist for outbursts of doctrinaire universalism; and the responsibility of statesmen confronted by the practical problems of immediate European co-existence.

This is not the place to go over the history of those years or to tell of the disappointments, wrong reactions and errors which, twenty years later, were to lead to such dire retribution.

One thing can be said, however: there still exists today a kind of political pseudo-realism which, once more, is deaf or sceptical, incredulous or ironical, when confronted with the deep and unshakeable desire for peace and unity that lies deep down in the hearts of all.

I am aware that, fundamentally, there is an institutional problem and that it is certainly hard to realise at present what the future legal and political basis of European co-existence will look like in the future. But let us not repeat the mistake of believing that politics is "a thing apart", nothing to do with the peoples or with the ideals it is supposed to serve. Let us not reassume the crushing responsibility of missing the historic opportunity that Providence—which wants us to be free, and hence responsible beings—is once again offering to our hearts and minds.

Thank you, Mr. President. (*Applause.*)

The Chairman. — (*G*) I should like, if I may, to thank Mr. Malvestiti for the very instructive report which he has given us on the situation with regard to the common market for coal and steel and on the activities of the High Authority.

10. *Statement by the President of the Commission of the European Economic Community*

The Chairman. — (*G*) I now call the President of the Commission of the European Economic Community, Mr. Hallstein.

Mr. Hallstein, *President of the Commission of the European Economic Community.* — (*G*) Mr. Chairman, Ladies and Gentlemen, it gives me both pleasure and satisfaction to address

this House again today, where the Parliament of the European Communities—the parliament of the nucleus of Europe, as we are proud to call this Community—and the Consultative Assembly of a wider group of European States have gathered together as a token of their solidarity. To us, the Commission of the European Economic Community, this solidarity is not only a matter of political convenience, it is part of our political conviction. We have therefore always been glad to take any opportunity to discuss with you the matters for which we are jointly responsible. I refer in particular to the development of the European Community itself and to the problems which are arising for us and for those around us—especially in Europe—out of the merging of the six States into a single economic area.

Eighteen months ago it fell to me to set forth before this gathering the principles which we look upon as being the most important elements of any such discussions. It was hardly a matter of chance that one year later, in January of this year, I was able from this place to give you a review in which the points tallied in the main with those made earlier; on the contrary, it suggests that our appreciation of developments was correct. Even today the main subjects for our discussion remain unchanged: there is, first, our proclamation of faith in the solidarity of Europe; secondly, there is our resolve to talk business with our European friends and with all those who have a direct interest in European economic affairs; and finally—as the third point—there is our determination to match up to the world-wide obligations and ramifications of our Community in a liberal spirit.

We have not evaded the conclusions to be drawn from these principles. Linking them with our duty to make our Community stronger and stronger, we have made ceaseless efforts to keep the talks going and by fresh proposals to help the discussion forward both within the Community and beyond it.

If we look back, the line of development which we can trace both in the activities of the European Commission and in the debates of the European Parliamentary Assembly and of the Consultative

Assembly seems to have been logical. It leads without détour to the point we have reached today, where all concerned realize that the pressing, the acute problem is to solve immediate practical questions. It may be that the European Commission was sometimes a step or two ahead of the general discussion with its first two Memoranda on European problems and with its proposals for the speedier implementation of our Treaty; the endeavours of all concerned to see things from a realistic point of view have then always brought us all into line again.

It seems to me of particular importance that this development of our motives and concepts has been backed up and made fruitful by uninterrupted parliamentary discussion. There is certainly no need for me to go into the details of these debates when adressing the two European Assemblies in whose midst they took place. Nevertheless I should like to say that the Commission of the European Economic Community has not only looked for guidance to what was said in its own Parliament but that it has followed with attention and great profit the discussions in the Consultative Assembly of the Council of Europe, at which there was a high standard of debate. I should like to make particular mention of the subtle analyses of Professor Heckscher, which give evidence of his high sense of realism. There are in particular two ideas of importance for the appreciation of the European situation as a whole which we think we can glean from the debates in the Consultative Assembly: first, that there are real technical difficulties which at present stand in the way of a comprehensive solution between the European Economic Community and the other Member States of the OEEC; secondly, that renewed efforts will be made to find a solution for the problems of trade which will be consonant with existing treaties, and with GATT in particular, and which will avoid major shifts of trade from a world-wide pattern to a European regional system.

What contribution can I make to this joint session today? The manifold points of contact, the analogies and similarities between our two spheres of responsibility do not make it easy to select those events and problems the discussion of which will

give the most complete and, at the same time, the most up-to-date picture of what is of common concern to us all. Let me begin with the event which has been of the greatest importance to the internal constitution of our Community, the speed-up in the implementation of our Treaty. In doing so I intend to show that this is not an act of selfishness and lack of consideration, but an act of necessity and in the true interests of all, including those countries which are not Members of the Community. Subsequently I should like to say something on the relationship of our Community with those around us, particularly those in Europe.

First, then, the acceleration of the Treaty. The essential purport of this move has been once again explained to you this morning by Signor Martino, with great precision. I shall endeavour to answer two other questions. Why did we consider this the right thing to do—and what are the consequences?

On the reasons for acceleration I can be brief. The duty laid upon the Institutions of the Community to ensure the implementation of the Treaty includes the duty to attain the prescribed objectives by the shortest route. Therefore the Treaty explicitly permits action speedier than that originally laid down in its time-table.

Economically, such action was justified, indeed necessary. Trade between the Member States of the Community has expanded to such an extent in the last year that the figures are evidence of the degree to which trade and industry within the Community are already setting their sights on the future common market, thereby psychologically and in practical fact anticipating the conditions of the future. In addition, current economic trends at this present moment have pointed in the direction of the reduced customs duties involved in the speed-up.

In the wake of this expansion of trade in the Community's economy, the way the economic policies of the Member States have drawn closer to one another after so short a period goes beyond anything considered possible at the time the Treaty was concluded.

Commercial policy in particular is one of the branches of economic policy in which adaptation has occurred. We have found that the views on commercial policy held by the Member States have come unexpectedly closer to one another in the first two years since the entry into effect of the Treaty. This applies not only to the relations between the Member States but also to their relations with non-members. Liberalization has been extended especially *vis-à-vis* those European countries who are members of OEEC and it has been raised to an almost uniformly high level. A further factor providing the Member States with instruments necessary for a real liberal commercial policy is to be found in the decisions on convertibility and the consequent measures of liberalization.

This, then, is what led us to realize that a shortening of the transition period was not only justified but necessary.

What will be the consequences of this quickened pace—how will they in the first place affect internal relations within the Community?

Politically, the first and foremost fact to be noted is that the Brussels decisions of 12th May mean a strengthening of our Community. The first steps taken toward the establishment of the common external tariff—reduced by 20 %—linked with the decision to speed up assimilation of the economic policies of the Member States, takes our six countries a large, I might even say a decisive, step further on the road to a new economic and commercial entity.

We have registered a further gain by realizing that the Institutions of our Community—Parliament, Council of Ministers and Commission—are coming more and more to represent one political will. This is a further element contributing to the internal strengthening of the Community.

Also, we have learned the lesson that in our Community there are no major and no minor partners, and that no attempt is made to pass over any one Member State, be it only on the moral or psychological plane. The ability of the Governments

united in our Council of Ministers to reach a compromise in the exceedingly difficult deliberations which occurred between 9th and 12th May should put a stop once and for all to any talk of "hegemony" in the structure of our Community.

In the economic sphere, the reduction of customs duties in the Community will, by the end of next year, have reached at least 40 %, and this, of course, is of the greatest importance. Without doubt the fact that industrial quotas will have been completely eliminated within the Community by the end of next year will also greatly influence trade.

As you all know, the most difficult economic decision which the Governments of Member States had to take concerned agriculture. The Commission is very glad that in this field a compromise was found which serves to show that agriculture has its place in our system of integration, although that place, naturally, does not in all respects correspond to that of industry.

While this has been the clearest sign that the incipient customs union must have a counterpart in the organization of the economic union proper, that is to say in the harmonization of all spheres of economic policy, the Council of Ministers has reached the same conclusion for all other spheres as well, and the Commission will in the coming three months submit proposals calculated to encourage and expedite that process.

I can summarize what I have said about the significance of the speed-up for the internal situation of the Community by stating that our integration has again given proof of its dynamism, of the quality through which the work once begun moves forward to its full fruition under the impetus of its own inherent logic. As we have now learnt by experience, it is easier for our Member States to resolve the difficulties met in harmonizing particular aspects of economic policy if, instead of applying protective measures, they press resolutely forward in their search for answers to the problems of structural change at home and of new conditions in the field of trade and competition.

Mr. Chairman, Ladies and Gentlemen, I shall now turn to the Community's external relations.

Here again, I should like first to say a few words about the effects of acceleration, and then I propose to place the issue in a wider and more general setting.

The Commission has always believed that the progress and consolidation of the Community will serve the interests of its neighbours also. This assumption is based on political as well as economic reasons.

In the first place, there is a causal nexus between the internal constitution of any political body and its external freedom to act. The European Economic Community is rather like a national State in that it can only maintain liberal external relations to the extent that its internal stability provides a safe foundation for such a policy.

Secondly—and this brings us to the immediate object of Community policy, namely economic development—we expect that economic expansion, which must of necessity intensify and widen the external trade of the Community, will follow from any advance in integration.

There are already signs that our assumptions are realistic in both respects.

It is not by chance, but in accordance both with the inherent logic of developments and with the letter as well as the spirit of the Treaty of Rome, that the decisions on the speedier building of the customs and economic union are accompanied by decisions which are conducive to the liberalization of trade throughout the world.

Let me mention the decision to make a provisional reduction of 20 % in the common external tariff and to discuss in GATT the consolidation of this reduction on a basis of give-and-take.

I should further like to mention the objective set down in Article 4 of the Council's decision of 12th May 1960, which is

that all quota restrictions of the Community *vis-à-vis* the Contracting Parties to GATT shall be removed. It is to be expected that industrial quotas *vis-à-vis* the OEEC and the dollar area will have been almost totally abolished by the end of 1961.

Similarly it is not by chance that the very remarkable expansion of trade within the Community is accompanied by an increase of trade with our partners outside the Community. The rhythm of this growth is not the same internally and externally. To look upon this as an injury inflicted upon our trading partners would, however, be to misrepresent the facts. In truth, the process of integration, with its inherent dynamism and the expansion which stems from it, is the mainspring of further developments in external trade. We must therefore not balance one increase against the other but must realize that the invigoration of the Community's internal economic life is—together with other factors—a causal, an essential element in the expansion of our external trade.

I should prefer to say no more now about the immediate effect which acceleration is having and may continue to have on the shaping of our external relations and I may perhaps touch on the question how we, broadly speaking, envisage the future of these external relations.

Discussion of such a subject is normally clothed in the accepted terms of classical commercial policy. I should like to move away from these terms a good deal and briefly to explain why. This explanation in fact brings me right to the heart of the problem.

The idea that shaping our internal relations is nothing other than commercial policy in the accepted sense of the word seems to me to be a source of quite a number of the misunderstandings which have existed between us and our trading partners, and some of which may still exist. The conventional forms of trade relations with other countries, such as traditional trade and shipping agreements, or commodity and payments agreements, are beginning to change their character in the modern world.

It is no longer merely a question of extracting the maximum individual advantage from a bilateral exchange of concessions and thereby keeping bilateral equilibrium. Nowadays the focal issue is coming to be the endeavour to ensure uniform action on the part of hitherto divided economic areas so as to enable them to grapple with their internal and external problems. Policy on economic trends, monetary policy, price policy, all these are tackled jointly; policy *vis-à-vis* the new industrial countries and the development countries, especially in their capacity as producers of raw materials, and policy *vis-à-vis* the Communist State-trading countries, these are all regarded as a matter of common concern; with some degree of exaggeration we might say that individual commercial policy is increasingly becoming common —international or supranational—economic policy.

This change is intimately connected both with political developments and with technical progress. The political tension to which the free world is exposed forces it to move much more closely together than the national States had ever done under the system of classical diplomacy; the interlocking of world economies, which is a result of technical progress, makes it possible and necessary to design a new set of economic tools more varied than those of classical commercial policy and essentially different from them.

All this is very clearly reflected in the rules and the problems of an embryonic world charter for trade, which the free countries of the world have drawn up for themselves in the General Agreement on Tariffs and Trade. In the system of GATT, built upon the principle of the most-favoured-nation, classical commercial policy is progressively losing its original function and substituting a sort of multilateral automatism which considerably restricts the autonomous freedom of action of each Contracting Party. The pressure of this trend reveals with increasing clarity the real problems of our day. The speedier development of those partners still left behind is proving to be essential to the functioning of the system. Economic stability and continuous expansion in the developed countries are the second condition and at the same time a prerequisite for a satisfactory solution in common of the problem of development.

I should like to base myself on these thoughts in defining the two great tasks with which we are faced: first, the gradual construction of a modern world economic policy, which in the immediate future will be largely a matter for concerted efforts on the part of the highly developed industrial countries; secondly, the tackling of a logical and effective development policy.

Before I turn to questions of detail I should like briefly to point out that, in all those fields for which the term "commercial policy" has been retained in the accepted terminology, our Community takes the stage, acting as a unit. I would mention only a few facts which show how real this Community is in the field of trade: work has begun on the common customs tariff, its first reduction below the level set in the Treaty has been decided, the common liberalization of industrial goods is far advanced, the complete abolition of quantitative restrictions is planned, there has been a formal decision that commercial policy shall be harmonized in all important matters, especially so far as the relationship and organized co-operation with our Western partners—including those in Europe—is concerned; the Community participates as such in important negotiations (in GATT, in the negotiations on association of Greece, Turkey and Tunisia); harmonization of the action taken even in those spheres which formally are still matters of domestic concern is becoming more and more customary.

I should now like to deal one by one with the questions of Atlantic co-operation, especially the re-organization of OEEC, of European co-operation, especially the problems of the Committee of Twenty-One, and briefly with what is happening today in the field of development policy.

I place *Atlantic co-operation* first, not only because co-operation amongst the highly developed industrial countries of the West is in the last resort the key to all the problems which the free world is facing; I place it first also because the action initiated in this connection seems to me to be the most important new element in contemporary events. I believe that this brief

reference is sufficient, as I have frequently had the opportunity—here as elsewhere, for which I should like to thank you—of setting forth and explaining my convictions in this respect.

Now, however, we face the question of the actual form to be given to this Atlantic co-operation, and here we find differences of opinion. It is just these which most clearly reflect the facts of the present situation. Let me therefore go into them.

Whereas, on the one hand, there is the trend to preserve as fully as possible the content and the working methods of co-operation as practised so far within OEEC, on the other hand, there are people who look on the confrontation of economic policies and the co-ordination of development policy as the first objective. Those who favour the second concept are often reproached with hostility to OEEC. The reproach is, however, quite unjust. To look towards the future does not mean to deny the past. The problem which we face will never be solved by declarations of faith in OEEC or against it. It will be solved only if the objective of Atlantic co-operation and the conditions under which it is introduced are clearly understood.

I have already outlined the objective when I said that a successful development policy is a *sine qua non* of life—or perhaps I should say of survival—for the free world and that in turn the fulfilment of this condition depends on the industrialized States maintaining the health and efficiency of their economies by common efforts to ensure economic stability and continuous expansion.

The conditions under which this must take place are characterized by two facts which we should accept for what they are.

The first of my facts is that the acceptance of co-responsibility by the United States marks a change in the tradition of American external economic policy, the epoch-making importance of which can hardly be overestimated. The re-thinking of old-established concepts which has thus become necessary does

not happen overnight across the Atlantic any more than it does over here.

In the same way as we have reason — every reason I should say — to welcome this new departure, we should take care not to ask too much of our new partner. Therefore the geographical widening of the area of co-operation will, at least for the time being, have to go hand in hand with a certain structural loosening. Those who are attached to the old forms—originally just because they were relatively loose—should accept this with sound confidence in the future. Basically, these are only differences of degree which will not be of decisive importance in the long run.

The appreciation of my second fact is different. The new organisation is being born into and having to operate in a changed world. The time of recovery in Europe is, after all, past, and what has so far been the substance of co-operation—for instance, the problems of quotas and balance of payments—has all but evaporated. Thus what was yesterday the European and is today the Atlantic family of nations comes directly under the general rules of GATT, that is to say without any intervening preferential system. This constitutes the change of substance. From it, conclusions must inevitably be drawn for the competence and the mechanics of the new organisation.

I think that these considerations clearly show the direction in which we are going.

Not only will the new organisation, as I have said, be more flexible in some respects than the old; it will at the same time be more outward and less inward looking, its relation to GATT will not be that of the exception to the rule, but it will fit into GATT; it will not evolve its own commercial policy but it will further the world commercial policy of GATT and make it more fruitful, whilst internally its first task will be to design a set of tools to serve a modern economic policy, not in order to be self-sufficient but with a view to the joint responsibility of all.

I now come to the second set of problems, namely the *questions of European trade.*

I should like to distinguish two points: first, the general development as it appears in the work of the Committee of Twenty-One, and, secondly the particular question of the closer approach of individual European countries—especially Great Britain — to the Community, which has been much discussed recently.

I am far removed from wishing once again to unfold before you all the problems of the Six and the Seven. The more so, because not only would I have to repeat what has been frequently said before, but because I believe that we all agree that we can better serve the cause if for a while we give precedence to practical questions over those of principle.

I think this is the most important thing that can at present be said on this point. I do so with satisfaction untinged with any *arrière-pensée.*

This may be appreciated if I recall a speech which our friend, the Belgian Minister for Foreign Affairs, M. Wigny, made in this place last January. He pointed out that it was for the Community to present its partners in the world around it with a clear policy, because only such a policy would help the others in turn to take up a clear and constructive attitude. We have endeavoured to work out such a policy, which is by no means one of strength but one of firmness coupled with the desire to reach an understanding.

With the Council's decision of 12th May we have begun to implement this policy. A straight line leads us from this to the Resolution adopted by the Committee of Twenty-One on 9th and 10th June, and this fully bears out what my friend Wigny has said. I attach so much importance to the Resolution of 9th and 10th June mainly because it shows very clearly how much calmer the atmosphere has become, to what extent dramatization and recrimination have given way to constructive

realism and—by far the most important point—how much agreement has already been reached.

— There is agreement that the European conversations have been broadened into Atlantic conversations which include our friends from the United States and Canada and that everything must be done in accord with our American and Canadian friends;

— there is agreement that the talks between the Six and the Seven must be open to other interested parties also;

— there is agreement that all solutions of specifically European questions must respect the rules of GATT and take account of the interests of other countries;

— there is agreement that the objective must be to take practical steps by which to secure and extend the traditional pattern of trade, and to exclude or eliminate any possible difficulties;

— there is agreement that the best means to achieve this lies in the effective preparation of the fifth round of tariff negotiations in GATT;

— there is agreement, finally, that understanding and acceptance of what has to be done today and tomorrow does not exclude discussion of the long-term aspect of the problem, but that this is not the opportune moment to tackle the so-called wider solution by negotiation.

This is a sound, realistic, constructive basis. I am convinced that by building upon it we will make progress.

Yet, this new sobriety is only one of the psychological characteristics of the present situation. The other is no less important: it is the growing tendency in the public as well as among the Governments of European States outside our Community to give serious consideration to the question of full membership. Great Britain offers the most striking example of this. I need not repeat what has been said so often—and only this morning again by Mr. Hirsch—: so far as the Community is concerned, the Treaty by which it is established is quite unequivocal in

opening the door to all who are prepared to accept its rules. Nor need I repeat that we would consider it an act of historic importance if other European States, and in particular Great Britain, were to accept this standing invitation and were to espouse the political idea expressed in the Treaties of Paris and Rome and were to make up their minds in favour of membership.

It would be premature if I were today to offer practical comments on the several varieties of these trends before the frequently vague and contradictory ideas have been clarified. This goes, in particular, for the idea of joining only the European Coal and Steel Community and the European Atomic Energy Community, which has been introduced by the Assembly of Western European Union. Mr. Smithers has said some highly interesting things about this in his speech this morning. This is not a question which concerns the European Economic Community in the first place.

The Executives of the three branches of our Community are still separate. I hope that the situation will be different in the near future and that we shall be dealing with a single Executive competent for coal and steel, atomic energy and the common market, just as we have a single Parliament and a single court of justice for all three.

Today I do not want to encroach on the competence of the two other Executives. However, being an attentive observer of events, I should like to tell you this much: it is refreshing and encouraging to note that in the discussions going on in Great Britain to which I am referring this question is understood in all its breadth. It is not overlooked in the United Kingdom that our Communities are part of a single entity and that their fusion, their integration, is being constantly pushed ahead; it is realized that what we have built up is essentially political in character—this reflects the importance of the institutional structure—and that its inherent dynamism, or in other words its trend to expand further and further into the political sphere, must be taken into account. More than that indeed: we hear with great satisfaction that, in particular, the political content of

our integration—the present as well as the expected future content—is in no way to be impaired. All this seems to us to be an indication that nothing has been overlooked and that the problem is being approached in the right way.

There is, however, still more than that to the European issue. Europe has not only prosperous, flourishing countries, which nevertheless have their economic worries, it also has countries struggling with heavy problems of development, many of them in a position which must be regarded as exposed in every respect. These are sometimes referred to as the "forgotten countries". I have two things to say on this point:

These countries must not be forgotten. And first of all, they must not be forgotten because there is such a thing as European solidarity, and they should not even be forgotten if the other countries were inspired—as they are not—by no other criterion than self-interest.

The second point is — and now I am explicitly speaking on behalf of the Community—they have not been forgotten. Two of them have expressed the wish to associate themselves with us. The doors of negotiation have been opened to both.

The course of these negotiations has been followed with an attention which has not always been free from scepticism. We ourselves have never underestimated the difficulties, but nor have we ever doubted that the outcome would be successful. In the case of Greece we have now nearly reached this point.

I beg you to appreciate the political significance of this statement. The magnitude of the problem cannot, in such cases, be measured in population figures or square miles. It may well be easier to unite 80 million inhabitants of prosperous industrialized States in one free trade area than to find a solution for a single nation which has not much more at its disposal to solve its problems by its own efforts than the industriousness of its people and their determination to live their lives according to their own laws and their own great traditions, and the dynamic,

imaginative energy of a government conscious of its responsibility.

In such a case association means more than this neutral term conveys in itself. It means: brotherly support. If we have succeeded by way of negotiation in removing all the difficulties except for a small residue and in starting on the draft of the association agreement, this—in retrospect—has been a great success achieved in a relatively short period, and it was possible only because both sides were filled with a sincere desire to agree.

This beginning encourages us to hope that in the coming negotiations with Turkey, too, we will make comparable progress, though some of the problems there are of a different nature and more extensive.

I now come to the third group of problems in our external relations, which is the complex of questions concerning development. Perhaps I may first consider them in general terms—in order then to deal with the particular problems which the Community has to face in the associated Overseas Countries and Territories.

As has been frequently stressed before, co-ordination in this field—both within the Community and with the other industrial nations—is of special, I might say of decisive, importance. This is so first—and I think this is fairly evident—because the very scale of the problem allows of no other approach. Only if we join forces can we hope to measure up to the historic responsibility which has been placed upon us. However, co-ordination is necessary for yet another reason, which is perhaps not yet as fully recognized and acknowledged. There is general agreement that a kind of competition between the industrialized nations in the free world and the States of the communist *bloc* is a characteristic feature and at the same time a major political problem in this question of development. When the conditions and the prospects of this rivalry are considered, quantitative comparisons are generally made and the question is asked who has most to

offer and who gives most. The comparison must, however, go further; it must, if we are to arrive at the right conclusion, cover the methods applied by both sides. In saying this, I have already touched on the heart of the subject.

All development policy has a trade aspect and another aspect which can be summarized under the term "financial and technical aid". It is typical of the development policy of the state-trading countries in the Communist bloc that these two aspects have not only been co-ordinated but that, as a result of the special structure of their foreign trade, directed by the State monopoly, they practically coincide. In this way the Communist countries can pursue a development policy without inherent contradictions. The economic system of the free world, which is built upon the principle of private enterprise, meets with very much greater difficulties in this respect. There always is the danger of some inherent contradiction between commercial policy and those other measures which constitute development "aid" in the narrower sense of the word leading to the latter being deprived of a considerable part of its efficacy. I should therefore claim that it is the most important problem of development co-ordination both within the Community and beyond it, among the industrialized states in the Western world, to ensure that there is no conflict between measures of commercial policy and those of financial and technical assistance.

Here it will be necessary to find an answer to the question how and to what extent imports of produce from these development countries can be increased; this refers to all industrial raw materials and agricultural produce, semi-finished articles and finished goods.

Further, we will have to find an answer to the question of how prices for the most important raw materials produced in the development countries can be protected from undue fluctuation and stabilized at a level satisfactory to the producer as well as the consumer countries and not likely to lead to a distortion of the productive structure in the producer countries.

In the overall setting of development matters the problem of the associated territories in Africa is one for which the Community bears special responsibility. Conditions have changed considerably in this field since the conclusion of the Treaty of Rome, and this extremely important political development requires of the Commission and the other Intitutions of the Community a policy which is at the same time positive and dynamic. This development, however, is not confined to those territories of Africa which are linked to the Community—and I think this is a point of very great importance. On the contrary, it covers the greater part of the entire continent. We therefore not only face the question of what should be the Community's policy with regard to that area for which it has a special responsibility, but at the same time we have to seek to fit this policy into a wider framework.

Thus the interest and the responsibility of Europe as a whole are involved and I should like to make two comments as follows:

— We must make sure that the economic development of the African areas concerned is more or less uniform, thereby creating the conditions for a general and harmonious political evolution in these countries.

— Secondly, we must make sure that co-operation which can already be seen among the African States can continue unimpaired and in a constructive spirit.

It follows from this that any solution which we may find for the countries associated with the Community must at the same time take into account the interests of the other African States.

This in turn means that any differences of opinion which may exist between European nations must not be transferred to their policies *vis-à-vis* the African countries. On the contrary, the similarities and the inherent connection between these tasks should become a means of achieving understanding among the European countries themselves.

This is all I have to say you today when I consider, from the point of view of our Community, the whole field of joint responsibility embodied in this Assembly.

I am firmly convinced that Europe, the whole of Europe, will never be divided. We have too much in common, not only in the way of possessions but also in the way of tasks. These will compel us to act jointly. This is true of the purely political sphere, where nothing less than survival is at stake, and it is equally true in the economic sphere, where two things have to be done: first, we must reconcile the interests and the objectives of all the members of the European family—which in Europe will always be varied and vital in their diversity; secondly, we must master the enormous task facing this generation in its endeavour to establish a peaceful system.

To be tolerant of one another and to respect one another; to stimulate and to learn from one another; to set about our common duty together—this must be our watchword.

(Mr. Federspiel took the place of Mr. Furler in the Chair.)

IN THE CHAIR, Mr. FEDERSPIEL,

President of the Consultative Assembly of the Council of Europe

The Chairman. — I want to thank the Chairman of the EEC Commission for his Report, which has been a valuable contribution to our discussions.

11. *Report by the Rapporteur of the Economic Committee of the Consultative Assembly*

The Chairman. — I now call Mr. Vos, Rapporteur of the Economic Committee of the Consultative Assembly.

Mr. Vos, *Rapporteur of the Economic Committee of the Consultative Assembly.* — In this Joint Session of the European Parliament of the six countries of the Treaty of Rome and the Assembly of the fifteen countries of the Council of Europe we have before us a lot of material with which to cope.

There is the Report of Mr. Martino. We have also the Report of the activities of the Coal and Steel Community, the Report about the activities of Euratom and the Report of the European Commission. We had a Report from the Council of Europe on European co-operation in 1959, written by Mr. Benvenuti. Not only do we have Reports, but we have to deal with the decisions of the various Councils of Ministers—the decisions taken by the Six in Brussels, the decisions taken by the Seven in Lisbon, the decisions of the new group of Twenty-one dealing with the matter of a remodelled OEEC.

As Chairman and Rapporteur of the Economic Committee of the Assembly, Mr. Heckscher and I have had the opportunity to have a long and thorough discussion with Mr. Hallstein, and yesterday the Economic Committee at its meeting heard an outstanding report by Mr. Royer about the position of GATT, the world organisation for putting into effect the General Agreement on Tariffs and Trade. So already there was no lack of material, or of information; and now we have heard four outstanding speeches on this matter. It will be difficult to try to go through all this in twenty minutes, yet I shall try to get some method into our madness.

In our discussions in the Economic Committee of the Assembly we are dealing with trade matters, and sometimes it looks as if the discussions outside our Economic Committee and outside the Six and the Seven also centre round the difficulties that are bound to arise in this respect. I should like to stress, in agreement with Mr. Hallstein, that trade matters are only a part of the picture. Already they are a part only of economic policy, and the economic policy is only a part of all the questions we have to face in Europe as a whole.

If today the countries of EFTA stress the danger of a division of Europe into two trading blocs, the arguments against this division are not only—and very rightly so, I think—the economic arguments. Fear of the political consequences of economic division is in the background of their minds.

It is not my task as Rapporteur of the Economic Committee of the Assembly to go into the political questions, but I should like to put it forward that we are completely aware of the fact that political, social and cultural unity in the old Europe is as important as economic unity. Also, we are aware that in economic matters trade policy is only a part. The Treaty of Rome is a statement of the necessity for looking at such trade as a part only of the policy. You will find the same outlook in the EFTA Treaty of the Seven, though it may not be as vigorously expressed. The failure of the discussions in the Maudling Committee was not because the Governments did not acknowledge the fact that trade policy had to go together with a lot of other decisions. They always have to be taken within a larger framework.

Perhaps I might state, with a view to the history of the Treaty of Rome—the short history it already has—that trade problems, problems of industrial trade, and tariffs, are not the most difficult to solve. You will find that in the Treaty of Rome a lot of protocols were signed, because there were expected to be lots of difficulties in trade matters. Not one of these protocols has had to come into force. There was no need for escape clauses, not at the beginning of 1959 when the first steps in lowering tariffs had to be taken, and not for 1st July next when the second reduction of tariffs comes into force.

I draw attention to another fact. In the Treaty of Rome the possibility was discussed very extensively before agreement was reached that the reduction of tariffs, for the 1st July next, should not be a uniform reduction of 10 per cent for each commodity but that it should be an average, because difficulties were expected with some commodities. Today the decision is taken that all tariffs should be lowered, without exception, by 10 per cent, and it appears that if the acceleration of tariff reductions that

has been planned for 1st January of next year comes into being, the same solution will again be adopted—an overall reduction. So all the fears put into the Articles in the Treaty of Rome have disappeared.

I know that this has been the case partly because of the economic expansion in Europe and the boom period we are in; but has the Treaty of Rome not been a part of this boom period in itself; has it not done its work to further investment and to improve trade? Therefore, in my opinion, it will be possible to come to an arrangement about industrial trade and tariffs between the Six and the Seven, but I should like to put a warning and not to be too optimistic.

On 1st January 1959, there was the first reduction in tariffs by 10 per cent by the Six countries. The difficulties that could arise have been overcome by reducing the tariffs by 10 per cent not only within the Six but by extending this reduction to all countries. On 1st July we will have two reductions—one of 10 per cent, again in the Six countries—this time, as I gather, only against each other; only within the Six—so that there will be a beginning—only to a small extent—of a preferential area. I stress that. Every customs union in itself creates a preferential area. This is known beforehand and one should not wonder at it as people sometimes do.

The other reduction of tariffs will be within the seven countries of EFTA. Tariffs will be lowered by 20 per cent, creating a preferential area there, as every free trade area with outside tariffs is bound to do. The difficulties which will crop up out of these two reductions will perhaps not be too difficult to solve. There is an intent, expressed both by the Six and the Seven, to sit round the table to find a solution—a pragmatic, short-term solution—for these difficulties. Our experts are able enough to find such a solution if the Governments decide that there should be an agreement.

The negotiations that have to take place about this will have to take into account, in my opinion, not only the results of the

tariff reductions of 1st July. They will have to cope with the events resulting from the decision of the Six about the acceleration of the pace of the Common Market. There will be a further reduction within the Six of 10 per cent on 1st January 1961. There will be, too, the first harmonisation of tariffs—one of the necessary aims of a customs union, signifying a higher tariff for some commodities for some countries. I know that this harmonisation of tariffs is feared by some countries of the Seven much more than the internal reduction of tariffs.

Undoubtedly, this question will have to be discussed at the negotiating table in the next half year. There will perhaps be the possibility of overcoming the difficulties by the reduction of the outside tariffs of the Six by 20 per cent already proposed. There perhaps will be a possibility of lowering by more than 20 per cent the tariffs on some commodities, being of primordial importance for the European trade between the Six and the Seven. The reductions will have to be extended, by the rules of GATT, to the whole of the GATT countries, to all the outside countries. Perhaps there are other possibilities by which to negotiate in the world picture of our economies; but here too I take it for granted that for this time it will be possible to find a pragmatic solution.

The next date of importance in the situation between the Six and the Seven will be 1st January 1962. Further internal tariff reductions within the Six and the Seven, creating more preferences, are due to come into force then. I do not know how fast the Six will go in the end with internal tariff reductions—or the Seven. I only know, as an economist, that the first part of this way is always much more difficult than the second part, and the preferences against each other will grow.

There is also the important question of industrial investment. Industry has to know what will be the picture in the end—one Europe with inside preferences against the outside world; or two Europes both with their own internal preferences. I stress that there will be a lot of wrong investment if there is a lack of knowledge about this. So the great difficulties in finding a prag-

matic solution after 1962, and the needs of industry if not the political situation, will force us to try to come to an overall solution within the next year.

I should stress this point to the utmost. This applies not only to industrial trade. I have already stated that it is easier to come to an arrangement on industrial commodities than it is in the other fields of activity. Take agriculture. The Six have their troubles in setting up a common agricultural policy as called for by the Treaty of Rome; but if it come into being, what will be the position in Denmark? The Six are bound to set up a common transport policy—a difficult matter also. Mr. Hallstein told us that there will be something within the next three months, but if it comes to a common transport policy, what will be the position of Austria in this respect?

The effects of the Treaty of Rome, the natural effects, all lead us to the same conclusion—the necessity of European solutions for European questions. We should not wait too long. To state that there has to be a European solution, is not saying much. We have to look forward to find out which kind of solution we should try to reach. For trade matters—I whole-heartedly agree with what was said by Mr. Hallstein about economic policy —it is always stated that we have to find a solution within the scope of the GATT arrangements That leaves us with three possibilities. One is to have outward tariffs in both areas—from the Six and the Seven—to the world as a whole, in GATT terms, with the most-favoured-nation clause. This is not a European solution as such. I mention it only because it would have to be the outcome if we fail to come to an agreement in other terms. These outward tariffs would be shaped so that the diversion of trade —the largely uneconomical diversion—that would follow would be brought to the smallest possible proportions. There are two other possibilities within the scope of the GATT agreement. One is a customs union and the other is a free trade area.

In our discussions with Mr. Royer, one of the leading civil servants in GATT, we asked him frankly if a solution in between these two poles, as suggested already in a previous report of

Mr. Heckscher to the Assembly of the Council of Europe, could come into discussion. We asked this for political reasons. It will be impossible for the Six, I think, to go back to the free trade negotiations that have failed. I think, too, that a customs union intermediate solution could be welcome on political grounds. No one would have to lose face completely.

The answer of Mr. Royer to our questions was that in his opinion such an intermediate solution would not be against the GATT rules—naturally, under the same conditions applying to a customs union and a free trade area, the tariff construction would be such as to further not only internal trade but outward trade too. So, in the light of this positive answer, we should look at this proposition again for the long-term solution of our trade problems.

I have the impression that in the Economic Committee of the Assembly of the Council of Europe there is no difference of opinion about the necessity of finding a European solution, and we do not differ too much, I think, about the proposition suggested by Mr. Heckscher. I do not know if what I am stating now will have the agreement of all the members of the Committee, but I feel bound to say that in the discussion with Mr. Royer there has been one other aspect of these questions to which I think it is worth while drawing attention.

Mr. Royer stated as his opinion, and I would say I agree, that a free trade area is bound to come to an harmonisation of its outer tariffs, that in the long run it would tend to take the shape of a customs union. I thinks the same would be true for each intermediate solution; but we will have time to talk this over. The Common Market has not come into being in one day: it will take some years. Also, I would state as my own opinion that within a customs union and, in some intermediate form, institutional questions will come into the picture, whether we like it or not. Also there will be all the questions of economic policy mentioned by Mr. Hallstein. They cannot be avoided. In stressing the necessity of a European solution for all the countries of old Europe, I would not leave the impression that this

would be possible without a change in the extent of our national sovereignty. What is said in paragraph 98 of Mr. Martino's Report is true. He said:

> "Without a supranational authority to study problems, work out solutions and propose decisions, the Six would never have made the progress which we are so proud and happy to record. The success of the Common Market can never be the work of Governments alone. It will be the fruit of the co-operation of all concerned, but its development will depend on the determined efforts of the High Authority and the Commissions."

I think that when we come to European solutions we should have this in mind too. Perhaps in putting my conclusions, I do best to repeat the questions asked in the Report of Mr. Benvenuti which I have already mentioned. I do that because there are not only the Six and the Seven, but we have, too, the forgotten five, as we sometimes call them. I know also that we have to look to the other backward areas of the world and to our political ties with the United States of America and Canada. In this respect I whole-heartedly welcome the association of Greece with the European Community, which Mr. Hallstein mentioned, and with what is called the remodelled OEEC. But, for European affairs, the Six and the Seven and their going together are of the utmost importance. So I repeat the questions put by Mr. Benvenuti in his Report. They are to be found on page 185:

> "I should like to put this question to the Economic Community: 'Is it ready to accept the consequences of its affirmation that it is an outward-looking community? Is it ready to acknowledge that it shares with the other countries of Europe certain vital economic, social and human problems which call for a joint solution? If so, is it ready to recognise that the formation of a broader economic association, able to deal with these problems and to promote the union of our Continent, is of cardinal political importance to both groups? To the Seven I would say: 'Are they ready to go further than mere matters of trade and advance towards economic integra-

tion with all its implications, namely an ever-deepening solidarity in ever-widening spheres between the two groups?' Of both the Six and the Seven I would enquire: 'Are they ready to act in such a way that those who belong to neither group will not be 'ignored' but will benefit from the effective solidarity of their European partners, so that they, too, can go forward on the common road to economic prosperity and betterment?'"

Having quoted those questions, I could conclude, but there is one other question to draw attention to, looking at the positions of the Six and the Seven. Mr. Martino in his Report drew attention to the fact that discussions are going on about the amalgamation of the three executives there are nowadays because we have to deal with three treaties. He comes to the following conclusion in paragraph 91 of his Report:

"The Executives will no doubt be amalgamated at a later stage, but such a change requires time and must be brought about gradually."

I should like to stress the first part of the sentence "The Executive will no doubt"—I repeat the words "no doubt"—"be amalgamated at a later stage." I think that we have to take this into account if new suggestions arise, such as Great Britain joining the Coal and Steel Community or Euratom. In my opinion, the necessary amalgamation of the three Executives of the Six will be a difficulty for the realisation of propositions of this kind. Also, I believe that Great Britain having ratified the Stockholm Treaty of the Seven will have to take, and will take, the consequences in other fields of activity. It looks as if Mr. Hallstein did not accept this fact. This appeared to me to be wishful thinking, taking Great Britain apart from the Seven.

I should like to think in terms of the Six and the Seven together, because I think that in other matters already Great Britain will have to bind itself to the other countries of Europe.

The Six, the Seven and the outer Five are all facts in Europe today. Taking the Six and the Seven, we come to the conclusion

that, in a very short time, we went from thirteen countries to two associations. The further step will have to be taken. I repeat the words of Mr. Martino in another sense: no doubt the two European groups will have to be amalgamated at a later stage.

We should do the utmost to reach that stage, taking the outer European countries in, working together with the United States and Canada, finding a common policy with the under-developed countries of the world too. New problems lie ahead. The free world asks for our common European efforts in a sense of world solidarity.

(Mr. Furler took the place of Mr. Federspiel in the Chair.)

IN THE CHAIR, Mr. FURLER,

President of the European Parliamentary Assembly

The Chairman. — (*G*) I wish to thank Mr. Vos for his statement.

12. *Special problems*

The Chairman. — (*G*) I call Mr. Lannung.

Mr. Lannung (Denmark). — On behalf of the Legal Committee of the Consultative Assembly, of which I have the honour to be the Chairman, I should like to say a few words about the harmonisation of legislation among the Six and the Fifteen.

One of the activities which the Council of Europe is required to undertake by the first Article of its Statute is the conclusion of agreements in the legal field.

I may be prejudiced on this subject but, in my view, one of the most successful programmes undertaken by the Council is

its legal programme. We have succeeded over a period of ten years in concluding over twenty European Conventions providing for collaboration between our Member States in different fields.

Nor is this programme at a standstill.

Nearly a dozen other conventions are in various stages of preparation and I can assure you that the Legal Committee will not fail to produce further proposals about additional topics which should form the subject of new conventions widening, or in other ways serving, the cause of collaboration.

Many of the conventions to which I refer relate to the harmonisation, or even the unification, of legislation in our Member States.

Some examples are the following: the Conventions on Establishment; compulsory insurance of motor-vehicles; liability of hotel-keepers; arbitration procedure in private law; the payment of foreign money liabilities; the law of contracts for international sales, and related matters.

While the Council of Europe is seeking to bring about the greatest possible measure of harmonisation among the Fifteen, the European Economic Community is taking steps of the same nature among the Six.

The Third General Report on the activities of the Community contains, in general terms, some interesting information to this effect.

As a lawyer and a European, I welcome these activities in the legal field.

We in the Legal Committee fully appreciate the necessity to arrive at a harmonisation of national legislation where this is important and vital for the adequate functioning of the Common Market.

But I think—and this is the first point I should like to make here—that it is in the interests of both the Fifteen and the Six that we should keep each other fully informed about our activities in the legal field.

I may illustrate this with the following example.

In April of this year, the Legal Committee of the Consultative Assembly presented to our Assembly a Report on the recognition and enforcement of foreign judgments.

This Report contained a proposal, which was subsequently adopted as Recommendation 247, urging the Committee of Ministers to take steps leading to the conclusion of a multilateral convention on the reciprocal recognition and enforcement of judgments pronounced in the different Member States.

While we were at work on this proposal, we invited the Economic Community to be represented at our meetings and I am glad to say that the invitation was accepted on one occasion.

We were indeed aware of the provisions of the Rome Treaty and in particular of the fact that Article 220 of the Treaty specifically provides that the Member States of the Community will

> "engage in negotiations . . . for the simplification of the formalities governing the reciprocal recognition and execution of judicial decisions and arbitral awards."

We were not surprised, therefore, to learn that the Commission had convened a meeting of representatives of the six States to examine this very same question.

The Report we presented to the Assembly in April set out the view of the Legal Committee that:

> "We should welcome the initiative of the Six in this field, but should not allow it to discourage us from seeking to achieve agreement, on a wider basis.

> . . . Indeed, co-operation in legal matters is precisely one of those fields in which great progress is being made in the framework of Greater Europe and where the aims set out in the Statute should lead us to pursue our efforts to achieve agreements and common action between all Member States. We are of the opinion therefore that we should seek to conclude a convention on this subject among the greatest possible number of European countries."

This statement was supported in the Committee by Representatives both from the Six and the non-Six and it appears to have met with general approval in the Assembly, for our Recommendation was adopted unanimously.

I think this is the right principle; we should welcome any initiatives of the Six in the harmonisation of legislation, but we should at the same time try to conclude agreements on the widest possible basis.

I think everyone present to-day will agree with this proposition.

This brings me to my second point; if we are going to act on this principle, the Community and the Council of Europe must treat each other as partners and not as rivals.

If the Community has projects for the harmonisation of legislation in particular fields, I would ask that they should keep us fully informed of what they are doing in order that we should be able to learn from their experience and then in appropriate cases try to extend their projects on to a wider basis.

At present, I do not think that the arrangements for the exchange of information between the two organisations are working satisfactorily.

It was only through the Press that the Legal Committee learnt about the plans of the Economic Community for the recognition of foreign judgments.

As I have already mentioned, we invited the Commission to be represented at the meetings where we discussed this problem, but I should like to ask the President of the Commission, Professor Hallstein, today if he will be good enough to invite the Council of Europe to be represented at the meeting which the Six will hold on the same subject next month? I hope to get an affirmative reply.

In September 1959, the Committee of Ministers communicated to us with their Supplementary Report the text of the letters exchanged between the Secretary-General of the Council of Europe and the President of the Commission of the Economic Community on the subject of relations between the two organisations.

I have looked at these arrangements again and it seems to me that they are rather one-sided.

Since Professor Hallstein is here today, perhaps I should congratulate him on having got the best of the bargain.

This exchange of letters provides for a number of cases in which the Commission or its representatives will be invited to participate at meetings of the Committee of Ministers, the Ministers' Deputies and of committees of experts of the Council of Europe.

This is very fine and I am very glad that they should be invited to our meetings, for not only have we nothing to hide from them, but should indeed welcome their presence.

But what is sauce for the goose is sauce for the gander!

The letters say nothing about representatives of the Council of Europe being invited to meetings organised by the Commission of the Economic Community.

It seems to me that a greater amount of reciprocity is called for.

I should like to ask President Hallstein, therefore, if he will not accord to the Council of Europe treatment as favourable as the Council accords to him.

I will not detain the Assembly longer.

My theme is simple. We welcome the work of the Community in the legal field—just as we expect them to welcome ours—but we ask them to remember that it is in the interest of the Six as well as the Fifteen, and Europe as a whole, that co-operation in legal matters should be achieved on the widest basis possible.

I have heard it said that within some of our committees of government experts—I think patents is a case in point—there is a tendency for the Six to say that they are more interested in going ahead among themselves than in the Fifteen-circle because of the existence of the Common Market.

I do hope that this is a misunderstanding.

It would be a pity, in my view, if the fine work accomplished in the Council of Europe so far in the legal field were to be threatened in this way.

I would ask the Community to treat us as partners—and not as outsiders—and for this purpose to keep us as fully informed as possible of their work, both by the exchange of reports and documents and by the exchange of representatives at the meetings of one organisation on subjects of interest to the other.

I think that there is need for unification at both levels—the Fifteen and the Six—and what we want is close and intimate co-operation.

So much for the matters concerning the Legal Committee. I wish to add a few remarks about economic problems. As a Dane I feel that in the economic field it is of the utmost importance that all efforts should be concentrated on the need for building a bridge between the Six and the Seven. We must all realise the serious consequences which would ensue from a permanent

division of Europe first of all from a political point of view. Relations between the two groups have obviously improved somewhat during the last month, but I want to stress that, in the efforts to find compromises to solve the short-term problems ahead of us, it is important not to lose sight of our ultimate objective, a wider European market, removing all obstacles to trade among the Western European countries.

Although the risks of an economic split between the two groups are of a minor size today and appear likely to be in the near future when discrimination against third countries may be of a modest character, there is a serious danger that vested interest in permanent division may supervene and weaken the political forces working for a United Europe if the two areas be left to develop on divergent lines. A solution satisfactory to all parties can probably not be reached in the very near future. A great deal of patience will be required and every country must be willing to make concessions on points which are of crucial importance to the opposite party.

In this field a positive development has been brought about during the last month. In speeches to the Council of Europe here in Strasbourg and to the WEU Assembly, representatives of the British Government have declared that the United Kingdom is prepared to reconsider old problems and to re-examine old positions. The United Kindom will, we understand, be ready to join Euratom and ECSC under certain circumstances, while at the same time paying full regard to the interests of her EFTA partners. Simultaneously, there seems to be growing understanding in British opinion of the necessity of considering solutions along the lines of a European Customs Union.

So far the British approach has been very cautious, but it is at any rate the first time the United Kingdom has been prepared to discuss solutions involving supranational institutions. As a representative of my country, I can only welcome this willingness to tackle these problems from this angle. Denmark, as well as the other small EFTA members, is a consumer of the products of the ECSC and the Euratom, and my country can only be

satisfied if the United Kingdom makes a *rapprochment* to the institutions of the Six. Such steps may pave the way to an overall solution. I am convinced that any distrust of the sincerity of the European policy of the United Kingdom is absolutely unjustified. But there must be two partners to make a deal.

Also the Six must be willing to make concessions and it seems as though in the past the Six have not shown the necessary willingness to meet the Seven. Since the breakdown of the Free Trade Area negotiations, the Six have concentrated on the acceleration of the establishment of the Common Market while, at the same time, they have declared that a solution on a purely European basis now seems a little out-dated and that a solution to the trade problems would involve non-discrimination against non-European countries, but in my opinion it is not probable that all solutions in future must be found on the Atlantic or GATT level.

I think that the negotiations taking place about reorganisation of OEEC have shown that the United States are not prepared to enter into such arrangements. The efforts to break down trade barriers may well be based on a fruitful interaction between regional and world-wide measures.

It must be quite clear that the Seven do not have the slightest intention of undermining the Community of the Six in connection with their sincere hope of bridging the differences between the two groups. With this background it is difficult to understand that the first aim of the Seven, the removal of all obstacles to trade in Western Europe, would in any way be dangerous to the successful development of the Common Market and the political co-ordination of the Six.

The reasons underlying the opposing views in the two groups are more deep-seated and primarily of a political nature. Therefore this question is of great importance to this joint meeting and it is my opinion, and I make the sincere appeal, that all of us should take an active part in the efforts to prevent the serious consequences of a permanent division of Europe. We should do

so not only in our speeches here, but also in our deeds at home. It would be too great a tragedy if the result should be that, instead of greater unity for which we stand, we should end in a state of split and division.

The Chairman. — (*G*) I want to thank Mr. Lannung very much for his statement. I now call Mr. Kraft.

Mr. Kraft (Denmark). — When discussing European policy here in this Joint Assembly, I take it that our main concern is the problem of European unity. We need it more than ever. The failure of the Summit Conference has proved once again that we are far from a peaceful settlement of world affairs. The unity of the West—and this means above al the unity of Europe—appears to be not only necessary but the condition *sine qua non* of our security, and the only hope to preserve freedom and peace.

But we are left alone with our responsibilities; and there is not the shadow of a doubt that if we want to survive, we have to stick together.

The key-word of the day seems to be "economy"; and, with resignation, we learn that in the present state of affairs, European co-operation in the economic field cannot be further promoted by a single clear-cut overall policy, but that for the time being in any case we have to accept two different approaches. Be that as it may. If I have asked for the floor today, it was because I felt the need to draw your attention to a danger: this division—which might be inevitable in the economic field—must not become a precedent for the same sort of cleavage in other fields, where there is no justification for it.

I am referring to projects worked out during the last few months by the so-called Interim Committee, which aim at bringing into existence, within the framework of the six Common Market countries, a brand-new machinery for cultural and scientific co-operation.

In think these plans are excellent; and I gladly take the opportunity of congratulating Mr. Hirsch, who is with us today,

on the most brilliant work he has accomplished. In order to appreciate the real significance of these plans, we must place them against the background of the widely recognised need for Europe to re-organise its scientific resources.

Of late there has been a growing awareness of the special effort Europe will have to make if it is to catch up with and keep abreast of the United States of America and Russia. We are indeed involved in a ruthless race for progress. Strange as it may sound, except to a few Cassandras, we needed the Sputniks and the Luniks to make us realise that the key to progress is scientific advance and that Europe, in order to keep its leading position in the world, has to make a tremendous effort in this respect, an effort which can succeed only if our countries co-operate closely. I stress "only". It is quite natural that plans and devices for European co-operation in the field of scientific research, so long neglected, should have been worked out in different quarters.

What is the position?

On one hand, there is the oldest of European organisations, OEEC, which, as an offspring of its economic preoccupations, has built up an increasingly vast programme aimed at promoting co-operation in the scientific field among its member countries, including very sound ideas about the machinery for implementing the different schemes, such as a Committee for Scientific Research and a Scientific Advisory Committee.

At the same time, also in the framework of the Greater Europe but this time in the Council of Europe—which has never before concerned itself with these questions—another "Committee for Higher Education and Research" has been inaugurated, the focal point of whose work will be, if I am correctly informed—and I believe I am—university co-operation, but it will also have a bias towards science.

On the other hand the creation of Euratom has automatically led the Communities of the Six to ponder these same problems;

and here we are in the presence of a magnificent plan calling for the institution of the "European University", and of still another "Council for Higher Education and Research"—the third, if I am right—which, among other duties, would have to give European status to a network of institutions of scientific research throughout the member countries of the Community.

However, another "European Council for Scientific Research" does not seem to be good enough; the Report of the Interim Committee further advocated the setting up of a special "Committee of Ministers" in charge of running the whole affair; in other words, we have to face a fully-fledged new European Community, which, by the way, would have to come into existence by virtue of a set of newly signed treaties.

I am not going to question the value of these various projects. I take all of them as a positive answer to the challenge. But I want to put the question as to their importance with respect to European unification. Here I do not hesitate to say that I find the situation most alarming.

Shall we really have two (or three) different systems of scientific co-operation in Europe? Are not we all agreed that we must plan together for new and further research institutes? Do not you all think that it is necessary to divide up the tasks among our existing scientific establishments, in order to develop more efficiently our potentials?

Then why do it for six countries alone, or for six countries differently from the rest of the European countries. Why should a Swedish, Austrian or British research institute be left outside of a co-operative endeavour which will help its French and German counterparts to increase their efficiency?

I cannot help feeling that at a time when there is a tendency for Europe to split into two economic camps which may to some extent be rivals, there is a real danger that, by the setting up of a separate system of scientific co-operation by the six countries only, the gap may become greater between the Europe of the Six

and the other European countries, and that once we are embarked on this task, the very ideal of European unity will soon be definitely lost, perhaps for ever.

What is obvious for science is even more striking when we enter the wide province of cultural endeavours in general. Culture and science are intimately connected anyhow and it is only for convenience that we are led to distinguish between them when we touch the vital problem of education. Scientific research is conditioned by the education of a country and, as Mr. Hirsch stated so rightly this morning, we all understand by now that the legitimate concern for technological progress must find its counterpart in an ever deeper exploration and understanding of the humanities.

Now, I do not see how this task could be carried out by any group of us. European co-operation in the cultural field, if it is not to betray its very purpose, must be undertaken in the widest possible framework as a joint effort of all European countries.

Before I continue, let me stress that, in pointing out the danger which I feel so strongly is looming ahead, it is not in any way my wish to criticise those who, with the intention of speeding up European unity, went ahead alone in planning the new schemes referred to. I am aware of the fact that if they felt the necessity of doing so, it may be because some of us have neglected our responsibilities.

What I want is to appeal—once again—to all those concerned to try to find ways and means of overcoming what may prove to be incidental difficulties and of helping to strengthen Western Europe as a whole instead of planning for two or three smaller Europes. I am sure that it was in the same spirit that Mr. Martino spoke this morning.

We have discussed these problems in the Consultative Assembly of the Council of Europe, and the Cultural Committee has submitted a draft Recommendation which was unanimously adopted, inviting the Committee of Ministers to do what they

could and as soon as possible to bring together the Governments of the Six and the Governments of the non-Six in the implementation of the new plans for scientific and cultural co-operation. We do not yet know what action has been taken—if any; sometimes the Committee of Ministers work very slowly—but I wish to appeal to this Assembly now, composed of representatives from two organisations, to support this Recommendation aiming at preserving our cultural unity. I do this in my capacity as Chairman of the Cultural Committee of the Council of Europe—but as a member of the Danish Parliament I should also like to appeal to my colleagues from the non-member countries of the Communities, so they will face up to their responsibilities and show the readiness required to join in the implementation of the new projects, because the countries which are not Members of the Six may play a part, including a financial part, in bringing into being this great project.

It is not yet too late. We read in the newspapers that the Governments of the six Community countries were reluctant to adopt the recommendations of the Interim Committee as they now stand. Other countries, we are told, are feeling more ready than ever before to reconsider their former positions, and may be willing to participate in a new effort. The future of OEEC is still uncertain. The administrative instrument for scientific co-operation which has been built up within this organisation may well become a part of a completely new institutional set-up, as well as the new-born Committee for Higher Education and Research of the Council of Europe.

I am not going to make suggestions as to how scientific and cultural co-operation in Europe should be organised in the future.

It is most certain that we need in some form or another a "European Research Council"—endowed with much greater power than that of OEEC and the modest new creation of the Council of Europe—one as efficient as that which Mr. Hirsch has in mind—but larger in scope, for it should embrace all our countries.

It is up to our Governments to decide, and they may be able to do it more efficiently outside any of the existing organisations, all of which, in this particular point, may well have reached the limits of the authority which was assigned to them.

All I can do is to emphasise that scientific and cultural co-operation in Europe must be conceived and organised as a whole.

Leaving aside all other arguments, I would bring to a close this speech—I hope it has not been too long—by pointing out that if we adhere to a single European policy in cultural and scientific matters, this will be the best guarantee for overcoming sooner or later our temporary economic estrangement and also for opening up the road to our political unity.

The President of the Commission of the European Economic Community, Mr. Hallstein, whose speech we all listened to with the greatest interest, concluded by saying: "To be tolerant to one another and to respect one another, to stimulate and to learn from one another, to set about our common duty together—this must be our watchword." It must also be our watchword in the scientific and cultural field.

The Chairman. — (*G*) I am grateful to Mr. Kraft for his statement.

The speakers addressing themselves to special questions and to the European University question in particular, have now spoken, so we may open the general political debate. Is it agreed that we should suspend the Sitting at 7.30 and resume tomorrow morning at 9.30 instead of 10? . . . I see that you are in agreement.

There are eleven names entered in the list of speakers for the General Debate about to begin. It is estimated that these eleven speakers will require a total of about three hours' speaking time. Speeches, as you know, generally exceed the allotted time. If we are to suspend the Sitting at 7.30 we shall have only one hour and twenty minutes left, which means that

some speakers who had intended speaking this afternoon will probably not be able to do so until tomorrow morning.

I call Mr. Hirsch, President of the Commission of the European Atomic Energy Community.

Mr. Hirsch. — (*F*) I am grateful to you, Mr. Chairman, for letting me speak for a moment.

It is with the greatest interest, may I say, that I have listened to the remarks of Mr. Kraft, Chairman of the Cultural Committee of the Consultative Assembly, and I would add that his concern over this matter has from the beginning been shared by the Interim Committee.

I have the impression that he may have studied the report of this Committee. If this is not the case, the report is at his disposal. But I should like, for the information of the Assembly, to read a few passages which show that we share his concern. I am sure that this will lead to positive conclusions if organisations and Governments are prepared to support the action proposed.

This is what it says in the preamble:

> "The Interim Committee has studied ways and means of enabling third persons, organisations and States to participate in the undertaking. They propose that students and professors who are nationals of States not Members of the European Communities be given free access to the European University. The proposals of the Interim Committee further offer third countries the possibility of association or accession on an equal footing with the founder States."

There is nothing in the structure proposed which would place the slightest obstacle in the way of such association or accession. I should like to stress this point: and by way of further explanation I quote paragraph 78:

"In accordance with the principles laid down in the treaty instituting the European Communities, provision would be made for the accession of other European States, while all third countries, whether European or non-European, would have the possibility of association.

The university statute and the conventions are to be accompanied by a Declaration of Intent, the text of which has been submitted to the Council of Ministers, marking the open character of the programme of cultural co-operation initiated by the six countries.

Accession by a third country to the university statute or the conventions could be effected by means of an agreement between the acceding State, on the one hand, and the Council of Ministers on the other, after a unanimous decision of the latter. The terms and conditions of accession would be laid down in the agreement.

The Council of Ministers should be empowered to introduce into the university statute and the conventions, as also into the institutional structure, the adjustments necessitated by the accession of the country concerned, but this without disturbing the balance between the founder States.

Lastly, the university statute and the two conventions should provide for varied forms of co-operation open to Governments and also to unofficial bodies and international organisations. The Council of Ministers should have the necessary powers for concluding association agreements."

This means, in substance, that the accession procedure agreed upon is much more flexible than that applicable to the existing Communities and deriving from the Rome and Paris Treaties in that a decision of the Council of Ministers suffices for admitting other European States without recourse to ratification, a very laborious procedure.

Independently of actual accession or any form of association which may, for example, be arrived at with universities, it has

already been decided that the university and the European institutes will admit, unconditionally and without preliminary formalities, teaching staff and students from non-member States.

I believe that in this way we have given evidence of our desire, which is in complete conformity with that expressed by Mr. Kraft, for a widely accessible organisation. Like him, we believe that European civilisation and culture are in no sense the prerogative of certain countries and that it is of the greatest importance for citizens of all our countries to co-operate.

I believe, in particular, that in the nuclear field, in which special responsibility devolves on me, no one can be ignorant of the name of your illustrious compatriot. Niels Bohr. . .

The Chairman. — (*G*) Thank you, Mr. Hirsch.

13. *General Debate*

The Chairman. — (*G*) The General Debate is now open. I call the first speaker, Mr. Blaisse.

Mr. Blaisse (Netherlands). — (*F*) If I may be permitted to make a few remarks on the new political and economic developments in the West, I should like at the outset to draw the attention of those present to the following.

I think that closer co-operation between the countries of the free Western world is absolutely necessary and essential in order to bring greater prosperity and greater security to the largest number of people. In order to achieve this end, all efforts must be combined within the framework of a co-ordinated policy.

We have to specify the nature of this co-operation in the political field and, at the same time, work out in more concrete form the co-ordination in the fields of economics, social welfare and finance. That programme will also have to give shape to a policy aimed at further development of the developing

countries. The West bears a far-reaching responsibility in this respect. Such a policy will likewise provide an answer to the political and economic challenge of the Soviet Union with regard to these countries.

As we all know, the Rome Treaties have as their object an integrated policy by means of the creation of a Common Market on the basis of a customs union. Our goal, however, is a political integration in Europe.

The member countries have, in fact, undertaken gradually to integrate their economic policies. A common competitive regime will be worked out, in addition to a common agricultural policy, a common transport policy and—last but not least—a common trade policy. To this end, we all know, a number of rules have been laid down which the member countries are obliged to observe. They form the guiding principles which will have to be specified in more detail during the transitional period.

A European policy on integration is of importance not only for the six countries but also for all the other countries of the free Western world. From a political point of view the Common Market represents a strengthening of the position of Europe and thereby a strengthening of the Western world—in other words, a strengthening of the co-operation which we have just started within the framework of the Twenty-plus. Furthermore, the Community will be far better equipped through a common economic policy to achieve the highest possible rate of economic growth under conditions of stability than could have been achieved in the divided Europe of former years.

The Community, however, must not develop into a politically or economically protectionist *bloc*. Politically, the EEC will have to follow a policy in the framework of an Atlantic co-operation. It should not result in a neutral attitude towards the great problems which face the Western world, leading to disintegration of the Atlantic co-operation instead of strengthening it. From an economic point of view the Community should

not pursue a protectionist policy also. It should be an open Community, which means that a liberal policy must be followed *vis-à-vis* third countries. This is, externally, one of the characteristics of the Six, and we do not adhere, indeed, to a restrictive policy in practice. In its own sphere of influence, internally so to speak, the Common Market must not follow a policy of far-reaching State intervention, since its co-operation is based on the principle of free competition and not on Government control.

In some respects the partners of the Six hold different views on the future development of the internal and external policy of the Community. This in itself is not disquieting, because the structure and conditions of the member States differ widely and the requisite adaptation can be accomplished only by degrees.

We must, however, not forget that the Community of the Six has a political goal to fulfil by means of an economic integration. The sooner the goal of a common market can be achieved, the clearer the internal and external policy of the Community will be. Therefore, it is fortunate that the acceleration is a fact now—I mean, that the decision has been taken and that it has not been conditional upon agreement being reached in the forthcoming negotiations within the framework of the Twenty-plus, in particular with the seven countries of the EFTA.

I now want to say just one word on the problem of the associated territories in Africa. In virtue of political and economic considerations we must pursue a firm policy toward these associated territories. It is essential that the provisions of the Treaty should be fully implemented in awareness of the great solidarity between Europe and these territories. The member States of the Community have undertaken to promote the development of these countries and are jointly obliged to do so by commercial policy and financial agreements. Here we are faced with a problem. What view must be taken of the relationship between the associated territories and the other African countries which are not—or no longer—associated with the EEC? These countries often show the same structure and require

the same commercial aid and financial assistance as the territories associated with the EEC. In fact this is equally applicable to the developing countries in other parts of the world. A conflict between the interests of the Six and those of the other countries, in particular the developing countries, must be avoided. One cannot at the same time advocate a powerful policy to aid and assist the developing countries—to a great extent with capital of the member States—and then deny these countries the possibility of selling their products in Europe.

I now come to the external relations of the Community. It is of great importance to consider the external policy of the Community more closely. I have already said that the EEC ought to be an open Community. This basic point, laid down in the Treaty, is indispensable. Whatever the future development of Europe may be, the Community should on no account close its doors and develop into a "Continental system."

In order to avoid a rift in Europe, the question of whether it would be possible to set up a large free trade area in Europe was closely considered even before the EEC came into effect. I would remind this Assembly of the work of the Maudling Committee, which started in October 1957. In December 1958, the discussions were broken off. The negotiations had failed. In all fairness, it may be remarked that the cause of this failure lies with both parties. But let bygones be bygones. It is more valuable to look to the future.

At present it is unrealistic to speak of a multilateral free trade area comprising all European countries. The crux of the matter is that free trade is possible only when it is combined with the development of a common policy with regard to economics in the field of social measures and finance. Thus, the EFTA came into being in the middle of 1959 as a counter-move against the European Common Market.

I should now like to draw attention to the following fact. During the last few years it became evident that a new development of great importance was beginning to emerge in inter-

national economic intercourse, namely the intervention of America in the European trade problem.

America, which did so much to restore the economies of the various European countries in the postwar period, has been contending with balance-of-payments deficits during recent years. The current account of the American balance of payments is sound in itself, but the increasing expenditure of military aid, and aid to the developing countries has, to a certain extent, weakened the position of the dollar.

The deficit has already amounted to more than seven thousand million dollars and obviously the United States cannot allow this state of affairs to continue indefinitely, even when the high gold reserves of that country are taken into account. It is hardly surprising that the Americans are not particularly enthusiastic about a large European free trade area. America has made renunciations in favour of the Europe of the Six, and is prepared to put up with a great deal of inconvenience so long as the European Common Market develops into a powerful organisation. That is primarily because America realises the political significance of the Six.

I have good reasons to judge the American appreciation of the situation. America is definitely in favour of the Community of the Six. America is not against the EFTA and will agree in the next GATT meeting, when this problem will be discussed, to apply Article XXIV. America, finally, is not at all enthusiastic about a larger preferential zone in Europe, the so-called Free Trade Area of the Thirteen, because she thinks that this amounts to a lot too much in the way of preferential treatment.

It may well be asked whether the creation of the EFTA was the right move. Opinions differ. Its primary significance lies in bridging the gap between the Six and the Seven. I should like to make it quite clear that these two organisations are not at all identical. If you are going to bridge a gap you need to have two solid bridgeheads. We in the Six fear that the bridgehead of the Seven is not solid. I sincerely hope, Mr. Smithers,

that the ship of the EFTA countries has enough steam to do more than merely blow the whistle.

However that may be, everything possible should be done to remove the growing contrasts in the field of economics and consequently in that of politics in Europe. It will be necessary to try to bring about a *rapprochement*, and both parties ought to adopt a realistic attitude in this matter. The EFTA countries, however, will have to display more understanding of any reasonable wishes and intentions on the part of the Six than has been the case up till now, just as the Six will have to satisfy certain prejudices. One will have to go about it in a business-like fashion in order to give a concrete form to this *rapprochement*.

The controversies could be cleared up in the first place by the application of considerable reductions of import duties and extension of quotas to a number of products which, by their very nature, cause serious antitheses between the Six and the Seven. Cars, chemical products, textiles and various other products which play an important role in European trade, might be considered in this connection. Assuming that this hypothesis is put into effect, important reductions of trade on a world wide basis could then be implemented within the framework of the GATT.

Furthermore, the so-called Dillon tariff discussions which are to be held by the GATT in the autumn of 1960 and continued into 1961 can make a valuable contribution towards solving the existing problems in international trade, bearing in mind the interests of the exporting territories overseas in particular. These discussions will offer an excellent opportunity of implementing reductions in the relatively high duties of the external tarif of the communities.

As was decided at the Conference of the Council of Ministers of the Community on 12th May 1960 it will be ascertained how this *rapprochement* between the Six and the Seven can be brought about within the framework of the so-called "Commission 20

Plus", the countries of the OEEC, America and Canada, with the co-operation of the European Commission.

It is most desirable that in the coming discussions the British should not adopt the attitude that the preferential system within the Commonwealth will have to be maintained in its entirety as a *sine qua non*. While completely understanding the political and economic significance of the Commonwealth, we must also surely face the fact that the interests of the Commonwealth countries are to an increasing extent affected by the economic progress on the continent of Europe. The potential possibilities for many of these countries in the European market should not be under-estimated. It is to be hoped that Great Britain will reconsider her policy, in the interests of all concerned. Europe, including Great Britain, would then be greatly benefited. The latest meeting of the Commonwealth Prime Ministers in London has certainly made a useful contribution in this direction.

I now come to the political development of the Six which in my opinion is so important. I wish to mention four different fields: (1) direct elections of the members of the European Parliamentary Assembly, (2) co-operation on foreign policy, provided this does not clash with the general Atlantic policy of the West, of the Twenty-One, (3) increase in the powers of the European Parliament, and (4) unifying and strengthening the three executives into one executive body while maintaining—at least for a certain period—the existing treaties.

In Paris mention was made of the possibility of Great Britain joining these two Communities. However, in the Resolution at WEU only Euratom was mentioned. I should like to put the following questions because I do not see this matter clearly. First, what arguments are there? What are the advantages? The United Kingdom has already got an association with the High Authority. She also has got an agreement with Euratom. Why cannot Great Britain join the Common Market? My objections at first sight have to be seen particularly in the light of our endeavours to realise at an early date one executive body. If the United Kingdom is not to join the Common Market, does that

mean that the political goal of getting a single executive has to be put off probably for many years?

Secondly, does the British idea imply a modification of the Coal and Steel Treaty if she joins? If not, does it mean that the United Kingdom accepts a larger part of supranationality than prevails in the Common Market Treaty? Then I do not understand why she does not join the Common Market.

My third point is, how would such an arrangement work? Think of the European Parliamentary Assembly and the work of its Committees. For instance, the Energy Committee is discussing coal, petrol, gas and nuclear energy. It is immediately seen that all three Communities are involved in these questions. Should this mean that the United Kingdom is not participating in the work of a co-ordinated energy policy? These are some pertinent questions, but I think a gathering like this is very competent to discuss them.

I end by saying that a process of evolution is going on in Great Britain. I am very happy about this undeniable fact. The integration of the Six has brought about a new situation, as was recognised by Mr. Smithers this morning. This, therefore, requires a re-appraisal of the policies of various countries. There is undoubtedly a change in opinion. That change in opinion, however, should not lead to the taking of a wrong decision. The three Communities are one, but you can be sure that we should be delighted if the EFTA countries could join the Six, entirely accepting the basic philosophy of our Community.

The Chairman. — (*G*) The next Sitting will take place tomorrow morning, Saturday, at 9 a.m.

The Sitting is closed.

(The Siting was closed at 7 p.m.)

SECOND SITTING

SATURDAY, 25th JUNE 1960

IN THE CHAIR, Mr. FEDERSPIEL,

President of the Consultative Assembly

The Sitting opened at 9 a.m.

The Chairman. — The Sitting is open.

1. *Resumption of the General Debate on the Report on the activities of the European Parliamentary Assembly*

The Chairman. — The Orders of the Day provide for the resumption of the General Debate which was adjourned yesterday evening. At the conclusion of the debate I shall call on Mr. Martino, the General Rapporteur of the European Parliamentary Assembly, and also on Professor Hallstein, President of the Economic Commission of the Community, to make any replies they wish to make to the General Debate. In the General Debate, I now call Mr. Russell.

Mr. Russell (United Kingdom). — It is a very great honour to address this Joint Meeting of members of these two great Assemblies. May I make it quite clear at the outset, as a member of the United Kingdom delegation, that I want to see the

greatest possible degree of unity in Europe and I welcome everything that has been achieved by the Six.

I want to see my country play its part in bringing about greater unity, provided it can do so without weakening its relations with the Commonwealth and, of course, in conjunction with our friends of the Free Trade Area. Yesterday Mr. Martino, in his wonderful speech, stressed the need for the participation of the United Kingdom and other Commonwealth countries and also said that he realised the difficulties which exist. He pinpointed the difficulties of my country in a similar context in paragraph 67 of his Report, in which he said that some three-quarters of the total exports of the associated overseas territories go to member countries of the European Economic Community.

Therefore the Assembly rightly insisted on the need for maintaining the preferential tariff which benefits the overseas countries associated with the Community, irrespective of those countries' desire to liberalise their trade with third countries.

Except that the proportion is rather less, we have exactly the same problem in the Commonwealth as the Members of the European Economic Community have with their associated overseas territories. I think that about 45 per cent to 50 per cent of the exports of British dependent territories go to other Commonwealth countries, but mainly to the United Kingdom.

If one takes the exports of the whole of the Commonwealth, the independent countries included, about 40 per cent of their exports go to other Commonwealth countries. Therefore this proportion, although less than that of the European Economic Community, is still frightfully important. Of course the United Kingdom gives enormous help to the Commonwealth in the preferential arrangements it has, and particularly in its help to under-developed countries.

Take the question of sugar, for example. It is grown in Jamaica, Trinidad, British Guiana, Barbados, Mauritius and Fiji, to say nothing of Australia and the Union of South Africa. It

enjoys a preferential tariff, but it also has the benefit of the Commonwealth Sugar Agreement, which is another method of preference. Sugar is the only export of two of those territories, Barbados and Mauritius, and 90 per cent of their exports are taken by the Commonwealth, mainly the United Kingdom.

Then there is the question of citrus. The citrus industry of the West Indies would collapse without the preference given to it by the United Kingdom and Canada in one form or another. It could not withstand the fierce competition of the small overspill of the huge United States home market in Florida and California. That position is now endangered by removal of the import restrictions imposed for many years for balance of payments reasons.

Several British territories get preferential advantages in the United Kingdom market without giving reciprocal help to United Kingdom exports. These include most British territories in Africa. There is Nigeria, a country with 32 million people, which is shortly to become independent. The United Kingdom takes 60 per cent of its exports. At least half of those are helped by Commonwealth preference in the United Kingdom market for oil seeds, cocoa and bananas. Then there is Ghana, two-fifths of whose exports go to the United Kingdom—to which she exports cocoa and timber. Both are subject to preference. There is Kenya, whose coffee and tea are the main exports to the United Kingdom, and again they are subject to preference.

Then there is that great country, New Zealand, 60 per cent of whose exports are taken by the United Kingdom. I know that some are of wool, mutton and lamb which are duty-free, but there are also beef, butter and cheese, which form practically the whole of New Zealand's exports, and butter and cheese are taken by the preferential market in the United Kingdom. I think we can safely say that a quarter of New Zealand's exports are taken directly in a preferential market in the United Kingdom and would probably suffer very severely if they were subject to fierce competition from outside.

Then there is that great under-developed country of India, nearly half of whose exports go to the Commonwealth and about

a quarter to the United Kingdom. Much of that is in tea and cotton piece goods. Again, they go into our preferential market. There is the Republic of Ireland, which is a member country of the Council of Europe and I hope I shall not embarrass our Irish colleagues by introducing this subject. She is not a member of the Commonwealth, but has closer links with the United Kingdom than any other non-Commonwealth Country. Three-quarters of her exports are taken by the United Kingdom, mostly agricultural produce which still enjoys Commonwealth preference.

The only remark of Mr. Martino which disappointed me was his statement that we must follow the principles of GATT. Professor Hallstein said the same. I wonder why. Why is GATT so sacrosanct and regarded almost as if it were holy writ? It was instituted thirteen years ago in very different conditions from those of today. Mr. Martino also said that institutions must change to adapt themselves to new conditions. I think it time that Article I of GATT, the non-discrimination clause, was adapted to new conditions which exist today in Europe. If we revised that and allowed this discrimination, the bridge for which everyone is searching could be built by Professor Hallstein, I am sure, in even less time than it took him to tell us yesterday about his work in the last six months.

It is not as if GATT had not been violated, at least in spirit if not in the letter. It is not as if there were no discrimination in the world. In ways different from tariffs there is an enormous amount of discrimination. The Overseas Territories Clause of the Treaty of Rome, I think, is clearly a violation of GATT. I do not complain about that—I welcome it—but I think it contravenes the principle of non-discrimination. Again, EFTA is also, because agriculture is excluded, and GATT's condition for allowing customs unions and free trade areas is that internal barriers must be wholly removed. Again, I do not complain of that, but welcome it. There is the Central American Free Trade Area of the countries of Nicaragua, Costa Rica, Salvador, Guatemala and Honduras in which a long list of raw materials and manufactured goods are exempt from tariffs and other barriers. Nicaragua is a member of GATT and no one seemed to get worried when that violation took place.

There is the case of the United States tariff on imports of woollen goods. In 1957 the United States nearly doubled the normal rates of duty on import of woollen goods in excess of 14 million lbs. weight. That had the effect of discriminating in favour of French, Italian and Japanese imports and against those from the United Kingdom. That was because those three countries supplied mainly stock goods which could be brought in before the quota was fulfilled, and the United Kingdom exports, which are mainly to meet individual orders, take time to fulfil. By the time they are delivered, the quota is often filled and higher duties are applied.

As a result of that, United Kingdom exports of woollen goods to the United States fell from £ 13.5 million in 1956 to £ 9,4 million in 1958. They rose slightly to £ 11.2 million in 1959. I do not complain of that but merely cite it as a flagrant example of discrimination.

Then there were the disposals of surplus United States farm produce. In 1956 the United States sold wheat to Brazil and gave Brazil 40 years to pay—not in dollars but in cruzeiros. In one year alone the United States negotiated no fewer than 38 agreements with 25 different countries for the disposal of surplus products, wheat, flour, feeding stuffs, rice, cotton, fats and oils, tobacco and dairy produce. In those I do not include the very generous gifts she makes from time to time to under-developed countries.

There was recently a glaring example of flag discrimination. An agreement has been concluded between the United States and India for a shipment of 17 million tons of grains in the next four years. That agreement is governed by the United States Public Law 480 which requires that 50 per cent of the goods shall be moved in American ships. That is equivalent to about a ship a day for four years, half of them American. During May freight rates paid to the United States ships engaged in this trade were 196s. a ton. That compares with 70s. a ton paid to non-American ships engaged in this trade. That is discrimination with a vengeance.

Every bilateral trade agreement negotiated between individual countries is discrimination because it says that country A will take more of certain goods from country B and therefore country A is discriminating in favour of country B—compared with all other countries which export the same goods. I make one last topical point. Somaliland becomes independent in a few days' time. It can apply to join the Common Market, it can apply to join the Commonwealth, or presumably it can do both. It probably would be wise to allow that very undeveloped country to do both if it wishes to do so. Is that a violation of GATT? If so, is anyone going to get steamed up about it? What is to happen if the proposed Ghana-Guinea Union ever comes into being? The same problem may arise there.

Non-discrimination is a mockery of words because it leads to deliberate discrimination, not necessarily by tariffs but by other means. GATT is no more effective in enforcing non-discrimination than the Volstead Act was in enforcing prohibition in the U.S.A., in between the wars, perhaps with this difference, that the United States Government did not engage in any illicit liquor deals, but it is one of the leading bootleggers as far as discrimination is concerned. I beg the Six and the Seven, indeed all the European members of the new Committee which has been set up, to consider this question very carefully. Together they are about half the membership of GATT and I am sure there are others who would support them in any effort to get GATT revised. I do not suggest for a moment that we want to abolish GATT, but that the non-discrimination clause which has been in existence for 13 years is out of date and should be revised. If we could get it revised we could bridge the gap between the Six and the Seven and countries outside and the Commonwealth by the Strasbourg Plan or in some similar way. That could be looked at, or some such way of doing it could be considered.

Look at the enormous potentialities of the Commonwealth. Look at the huge areas of Canada and Australia with their vast largely undeveloped resources and very small populations. They need both manpower and money. Look at the opportunity for

markets if we can only raise the standard of living of countries like India, Pakistan, Ceylon and Malaya in Asia, and the African territories like Ghana, Nigeria and Kenya. It is because the Commonwealth has this great potentiality that I want to see it linked economically with Europe. I believe that together all these countries of Europe and the Commonwealth, in conjunction with our friend the United States, could form the most powerful *bloc* in the world in the interest, as Mr. Martino suggested, of what we all seek, namely peace.

The Chairman. — I call Mr. Duynstee.

Mr. Duynstee (Netherlands). — It is perhaps right that I should point out at the beginning of my contribution to the debate that according to a certain English ditty there are three types of Dutchmen—the Amsterdam Dutch, the Rotterdam Dutch, and the damn Dutch. I leave to this Assembly the choice between those three alternatives but I should like just to point out that I am of Dutch nationality.

I want, if I may, to make a few preliminary remarks before coming to the more operative or substantive part of my speech. The EEC has made trade arrangements between its Members. Next, the EEC has made currency arrangements, economic, financial, monetary, full employment arrangements and institutional arrangements. It could be said that these last six arrangements have been made to offset and to mitigate the resultant effects of the trade arrangements, that these last six arrangements are not the price that has to be paid for integration but that they should be considered as a form of specially created mutual facility machinery to offset the effects which might result from the trading arrangements.

The constitution of EFTA does not at present contain the same machinery as the Six have made available to their Members, and I therefore doubt whether the Seven will be able in the long run to complete with or match the trade policy of the Six without running into rather serious difficulties.

Our Italian colleague, Mr. Santero, stated in his able Report, Document 1130, submitted to the Consultative Assembly of the Council of Europe recently:

> "It would be disastrous for the future of Europe if we considered the Common Market as an end in itself."

The echo of the same thought is to be found in Mr. Martino's Report in liberal vein submitted to this Joint Meeting, where he states in paragraph 77 that the "little Europe" of today is only the centre or nucleus of the greater Europe of tomorrow. Both these Europes, the Europe of today and the Europe of tomorrow, are joined by a common fate — *Simul stabunt, simul decident.*

It has always been, and always will remain, the main theme of my speeches on this subject that the Common Market is not an end in itself. I should like to add that the EEC Treaty was ratified in our Dutch Parliament on the understanding that the creation of the Common Market was a means to an end but not an end in itself.

In paragraph 106 of Mr. Martino's Report mention is made of the impending European elections for the Parliament of the Community of the Six. Quite rightly, the paragraph states:

> "The election of the Assembly must not be regarded as an operation unlikely to affect the international politics of our respective countries."

The Parliament of the Community of the Six is taking a very important step forward inasmuch as it forces the electorate of the Community of the Six to think in European terms. It will mobilise public opinion for a European cause. For the first time in their lives men and women will have to think in terms not of their constituency, nor of the province or region in which they live, but of Europe.

As our colleague, Professor Dehousse, has stated to the Assembly of the Community of the Six, the Community of the

Six still lacks to a very great extent the support of the broad masses of the people. I think that European elections as envisaged within the Community of the Six can make a big change in this.

As I have stated before in the Assembly of the Council of Europe, I feel that it would be very useful if European elections were held on a scale going beyond the boundaries of the Community of the Six.

I should like now to say something about the United States' attitude towards the Six and the Seven—and also the attitude of the Six and the Seven towards the United States. As a preliminary remark under this heading, I would point out that I should consider it to be one of the greatest gifts that the American people could bestow on the world if they were to change their constitution in such a way as to have Presidential and Congressional elections once every six or seven years instead of every four years.

In a most interesting pamphlet called "World-wide and domestic economic problems and their impact on the foreign policy of the United States", a study prepared at the request of the Committee on Foreign Relations of the United States Senate, most interesting figures are given on page 34 relating to the world's distribution of gross national product in the years 1957 and 1970. The table shows that the United States plus Canada —i.e. North America—held 35 per cent of the world total in 1957 and will probably hold 31 per cent in 1970. Western Europe—the Six plus the Seven plus the Five—held 29.5 per cent in 1957 and will probably hold 31 per cent in 1970. The U.S.S.R. and her European satellites took 18.2 per cent in 1957 and will probably take 21 per cent in 1970.

The above figures show how extremely important, indeed how completely indispensable, Western Europe is to the United States. The United States plus Canada, plus Western Europe, held 64.5 per cent of the world gross national product in 1957 and will probably hold 62 per cent in 1970. The U.S.S.R. and

her European satellites held only 18.2 per cent in 1957 and will probably hold 21 per cent in 1970.

Western Europe is, hence, indispensable to the United States because, if the economic potential of Western Europe fell into Russian hands, the Communist *bloc* would have the majority share of the world economic potential by 1970, namely 52 per cent—not counting China—and, as Frederick Engels, the well known Communist philosopher, once pointed out:

"Nothing depends more upon economic conditions—"

the reference is presumably to gross national products:

"—than do Armies and Navies, armaments, personnel, organisations, tactics and strategy."

The above figures show the relative bargaining strength which we hold in Europe in the economic field—not in our overall position—a bargaining situation which to some extent offsets the more than awkward strategic military situation of the remnant of our European continent.

At the same time it could be argued how necessary it is for the United States, if she wants to maintain in 1970 a clear-cut and quite evident hegemony within the Atlantic alliance in the sphere of economics when the gross national product on both sides of the Atlantic will equate at 31 per cent, that the European part of it is split into two or three morsels, provided nevertheless that the morsels are loosely tied to the United States in a NATO structure. I do not call this Machiavellian reasoning. I call this more or less commonsense in a world which is, alas, ruled by power and might, and not by ethics.

In the light of this doctrine I can have only very little appreciation for those Europeans who, wittingly or unwittingly, assist in helping to bring about this quite unnecessary division of the Western European gross national product into two or three competing and rival entities, with its concomitant loss of influence in world affairs.

In so far as the Community of the Six, or any Government within the Community of the Six, or any Western European Government outside the Community of the Six, flirts with the United States Government to the detriment of greater European unity, blame should be apportioned to her or to them. Once again, I do not blame the Americans, but I think that we as Europeans are being a bit silly or rather unwise.

Twice the United States have come to the aid of Europe magnanimously—with the Marshall Plan and the establishment of NATO. As a matter of fact, we exist as free nations thanks to the unprecedented aid given by the United States, but I do not think we should get too sentimental about this as politicians. America could not let the European economic potential go to Russia. Once the United States let Europe down—namely, when the United States helped to torpedo the so-called Strasbourg Plan of the Council of Europe a few years ago.

Let us co-operate most intensively and extensively with the United States by all means, for we are indispensable to one another, but let us do so as equal partners. A *sine qua non* of this equal partnership is the bundling together of the Six, the Seven and the Five, regardless of American dislikes in this respect. I am a very pro-American European. I am a firm believer in the Atlantic Alliance and in NATO. I am on record on this point in every assembly where I have spoken, including the Dutch parliament, but as a European I hate to see Europe spoil its own chances, and I think this is only a natural reflex.

Lame-duck organisations abound in Europe at the moment. Within the Council of Europe one may deal only with economic, political, cultural and social questions. Within OEEC or within the coming OECD structure one may deal only with economic questions. Within WEU one can deal only with military and political questions. Within the Community of the Six one may deal only with economic, social and political questions. However, in order to get a common foreign policy and in order to get a common political unity one must be able to discuss political, economic and military questions at one and the same time. These three items—politics, economics and military

questions—can be regarded as an indivisible trinity if one wants to achieve a common foreign policy and political unity.

The Community of the Six cannot, and does not, discuss military questions and problems. Hence, I call the Six a lame-duck organisation, in essence really as lame as any of the other international organisations that I have mentioned. Apart from this institutional paralysis of the Six, the strategic military situation of the Six is a bad one, to say the least. I should like in this context to draw the attention of the Assembly to a speech I made in Vienna at the invitation of the Lord Mayor of that lovely city when I was asked to address the youth of Austria in the context of the *Europagespräch* 1959 (may I refer you to pages 139 and 140 of the booklet in which all the speeches made at that Conference are printed?) I cannot quote from this speech because it deals with military problems and I am afraid of the ruling of the Chair if I go into military questions here. It shows how much we are a lame-duck organisation at times!

I would also draw the attention of the Assembly to a speech I made in the Assembly of Western European Union on the same problem in June 1959. For the same reason I cannot quote from the speech which I delivered at that time!

Within the Europe bridgehead position—as I see it, the European continent of Western Europe—the Community of the Six occupies a central geographical position—the Six have an exposed or uncovered southern and northern flank. From a military point of view, their position is not viable and not tenable, as I tried to explain in the two speeches which I have mentioned.

Military questions in this world are, alas, the inescapable third dimension of any attempt to come to a common foreign policy, and the Community of the Six cannot even discuss military questions within the too narrow framework of its constitution. I call the Community of the Six a lame-duck organisation, one more lame-duck among a flight of lame-ducks.

But let there be no misunderstanding. I do not want to argue that the Community of the Six is of small importance or of little consequence. On the contrary, the Community has its importance and is exerting great influence, but the experience of the last three years has shown that a third dimension should be added to its structure, given the present world situation, if it wants to form the basis of a real community and wants to be an instrument that is able to propound a united European point of view on questions of world-wide importance. Only in an organisation where economics, politics and military questions can be discussed and inter-related at one and the same time can one achieve a common foreign policy. As long as the Community of the Six does not inscribe into its banner of activity and action these three items—economics, politics and military questions, the Community of the Six will remain *eine unvollendete Symphonie*, an unfinished symphony.

Given this situation, I feel that a great opportunity is offered to Great Britain and some of the other non-neutral countries of EFTA to play a most constructive role in the furtherance of greater European unity. Great Britain and some of the other countries of EFTA should join EEC, not through some back-entrance—Euratom or the Coal and Steel Community—but through the main gate, bringing with them a valuable present in the form of the Charter and constitution of WEU. Britain should say:

> "I want to join EEC. I accept the rules and regulations of EEC, but let us add a military chapter to the existing EEC constitution. Let this military chapter be drawn from the Charter and Constitution of WEU already accepted and ratified by the six EEC countries."

Britain should say:

> "Let us insert a military chapter after Article 130 of the present EEC Treaty."

Britain should say:

> "Let us fuse EEC and WEU into one."

By doing this, by re-vamping EEC, by vitalising EEC, by fusing military, economic and political questions into one organisation, by enlarging the number of countries participating in EEC, Europe would have found the basis of a structure which would lead to Europe's political unity. Europe would have found the basis for a confederative structure such as that about which General de Gaulle spoke in his well-known address to the French nation on 31st May this year. Personally, as I explained to the WEU Assembly on the 1st June this year, I would prefer a federative structure.

If such a fusion occurred, it would be possible to establish a political secretariat within the combined organisation, a French desideratum of a few months ago. It would then be possible to achieve what Mr. Couve de Murville, the French Foreign Minister, stated on 14th June in the National Assembly:

> *"L'Europe doit s'organiser et s'unir dans le domaine monétaire, peut-être dans le domaine de la défense finalement, à coup sûr dans le domaine politique."* [1]

If this could be brought about, this fusion between EEC and WEU, it would perhaps be better to change the name of EEC into the Community of Western Europe.

Of this Community of Western Europe, the Six, the United Kingdom, Norway, Denmark, Portugal, Iceland, Greece and Turkey could be full members. The so-called neutrals, such as Sweden, Switzerland, Austria and Ireland, could be offered associate membership, in the sense that only the economic and social implications of the present EEC treaty would apply to them. The meeting-place for the Community of Western Europe and the associate members of the Community of Western Europe should be the Council of Europe. The Council of Europe is the natural centre of political gravity of Europe in my opinion. If it is not, it should at any rate be so. The Council of Europe should in reality be the centre of political gravity for Europe,

[1] Europe must achieve organisation and unity in the monetary sphere, perhaps in that of defence and, finally, assuredly in the political sphere.

inasmuch as most of the countries involved are Members of it. The Council of Europe should be the "medium design" or the "European design" within the "Atlantic design" constituted by NATO and the OECD. Inside this "European design" we should have the Community of Western Europe of full members; a Community of Western Europe, which, in close co-operation with NATO and OECD, of which it would form an integral part, would nevertheless come to an independent formulation of European policy.

Given the chequered and most unsatisfactory pattern of differing international organisations in Europe, a golden opportunity is offered to Great Britain, presented on a silver platter. The present state of affairs is clearly unsatisfactory. There is in Europe a need for a European organisation where economic, political and military questions and their interrelationship can be discussed at one and the same time, because only out of this trinity can emerge a European foreign policy independently arrived at. No new organisation is needed, no new drafting of an entirely new Statute is necessary. Only the fusion of two organisations—EEC and WEU—and an extension of membership to all Western European nations willing or able to join is necessary. Only the insertion of an already ratified text into another already ratified convention is necessary.

If Britain were to make a gesture of this kind—an entrance through the main gate with colours flying; no backyard sneaking in through Euratom and the Coal and Steel Community—a great, a most decisive step forward towards European unity would have been made. It is a challenge to Great Britain, but I think it is a challenge worthy of Great Britain.

I am a great friend of Great Britain. I once explained to the Consultative Assembly how I fought with the British in the last war. The British are my old comrades-in-arms of the last war. It is my considered opinion, as a great friend of Great Britain, that it is Britain's turn to make a move, to make a spectacular move. For twelve years I have been doing the rounds in international organisations of various kinds, and I have noticed that

the British can move if they want to, when the hour and the need are there, with great showmanship, with great intensity and with great thoroughness. I hope they will not fail Europe, because the hour and the need are there to make a move. Nobody would applaud such a move more than I, my country and the Government of my country.

As I said before, I believe that a golden opportunity is offered to Great Britain, presented on a silver platter, to be one of the main builders of a United Europe, not "*la petite Europe* but "*la grande Europe.*" I want to conclude by appealing to Great Britain to make such a spectacular move. I hope I shall be forgiven as a back-bencher if I adopt and adapt one of Winston Churchill's phrases uttered during the last war, when I say that I hope Great Britain will make a spectacular move in order that it may be said in decades to come "this indeed, was their finest hour, because at a critical juncture in the building of a United Europe they made a literally decisive move."

The Chairman. — I call Mr. Friedensburg.

Mr. Friedensburg (Federal Republic of Germany) — (*G*) When the elected representatives of fifteen European nations meet, once a year, I believe it is their duty to remember the many freedom-loving Europeans who are unable to be present. Yesterday some excellent things were said concerning our desire to build a large and united Europe, a Europe not truncated. Here I should like warmly to thank our British friends for their encouraging words which testify to their desire to co-operate with us.

It would be a fatal error not to realise that, from the point of view of population and area, we represent only half of Europe and to overlook the fact that beyond our borders there are peoples and individuals who, though unable to be with us, are just as good Europeans as we are.

For instance, there is the case of Poland and Czechoslovakia. Then, there are the 17,000,000 people living in the Communist-occupied part of my country. Nor, of course, would I wish to

leave out the largest nation in Europe, the Russian people themselves, who, we may hope, imbued with a new spirit, will one day occupy their rightful place in the European community of nations.

We should be making a terrible mistake if, in our relations with these peoples, we let ourselves be influenced by information reaching us through the distorting medium of invidious foreign propaganda.

We may be sure that these countries long for a European community, even though a tragic fate has set them against our part of Europe, a state of affairs which is becoming progressively worse and casts a shadow over our work.

It is therefore the bounden duty of our Assembly solemnly to recall the plight of these peoples and to give them the assurance that even though they cannot be with us, they will be not forgotten or neglected. Above all, we wish to assure them that our main object is to build a world where, true to their European traditions and spirit, they will be able one day to unite with us, in a world where right, freedom and genuine democracy will reign and where human dignity will be regarded as more important than police or party machinery.

Against this background we welcome all the more the signs of tangible and encouraging progress towards European unification.

I think I can say, at least on behalf of my German colleagues, that we shall do all we can to facilitate the United Kingdom's entry into our existing organisations, a process which may indeed be beset with many difficulties and anxieties. We fully realise that country's special position and understand that it is not possible for Britain to participate in this work of unification to the same extent as ourselves. However, where there's a will there's a way; if we all work together I am convinced that unity will gradually be achieved and some of the divergences which have arisen recently will become a thing of the past.

There is one major practical problem which affects us in the same way as it does the United Kingdom, namely the coal problem—to which Mr. Martino has devoted a large part of his excellent report.

We fully realise that what is at stake here far transcends the limits of a single economic sector. At least one and a half million workers are employed in the coal mines of the countries represented here. If to these we add the members of their families and workers in allied industries, the total figure represents a sizeable fraction of the European population. The capital involved amounts to some 60 to 80 thousand million marks. The countries affected by this coal crisis will probably be able to overcome it only by some common solution. Here I sincerely welcome the good will shown by our British friends.

Our consultations with them concerning future co-operation will perhaps afford an opportunity—if Mr. Malvestiti will allow me to say so—to review a number of minor points in the Treaty instituting the European Coal and Steel Community.

Indeed, we cannot gloss over the fact that the pace of events characteristic of the times in which we live has created circumstances where certain not unimportant parts of the Treaty, which was concluded at a time when there was no question of coal surpluses, are no longer really applicable. Since the general position in this sector has changed, I think it unfortunate, from the European point of view, that we should subject our coal to restrictions from which competing foreign coal and oil, which is also largely of foreign origin, are free.

I shall make no secret of the fact that certain ideas that we held ten years ago concerning the usefulness of industrial agreements and concentrations are now largely obsolete. At yesterday's sitting, MM. Martino and Malvestiti raised a point to which I should like to draw your attention, for I think that, in the long run, we shall not be able to avoid some revision of the ECSC Treaty and I consider that the proposed participation of the United Kingdom in the coal and steel sector may well provide a favourable opportunity for such revision.

In connection with what I have been saying, let me close with a reminiscence. At the beginning of January 1950, Mr. Robert Schuman, who was then French Minister for Foreign Affairs, visited Berlin which had just been freed from the blockade. On that occasion he held long conversations with leading personalities of that city on the subject of European unity, a subject that was bound to arouse the keenest interest among his hearers. In the course of these conversations, Mr. Robert Schuman, who is now honorary President of the European Parliamentary Assembly said something which, in the light of reflection and experience, I agree with more and more. He said "In the progress towards European unification, we must strike a balance between political ideals and economic realities." I believe that it is precisely in this spirit that we should pursue our activities. We must always remember the spiritual and moral aims underlying our meetings here—as was done yesterday in such a gratifying way—but we must also make the necessary effort to reconcile these theoretical aims with the practical and sober tasks of everyday life.

When I return to my hard-pressed native city, I shall be glad to report that the representatives of our fifteen European peoples are co-operating in an excellent atmosphere which augurs well for our future success. If we carry on as we have done these last two days, we shall in future be able to come to such meetings with confidence, courage and the certainty of succeeding. In this way, we shall be able to pave the way to a united Europe, something that can really be called a "Greater Europe", a complete Europe.

The Chairman. — I thank Mr. Friedensburg, and I now call Mr. Radius.

Mr. Radius (France). — (*F*) Mr. Chairman, Ladies and Gentlemen, as Chairman of the Consultative Assembly's Social Committee, one of the subjects I should like to have discussed at this joint meeting is social policy on the European scale.

It is obvious that all questions of social progress in our countries—the harmonisation of living and working conditions,

the free movement of workers, re-training, the important role of the European Social Fund, the development of occupational training, *etc.*—fall within the scope of the studies on which we are engaged, and I hope that interesting proposals will emerge from this discussion between members of the two European Assemblies.

It would also be advisable to consider whether all the measures recommended up to the present by our two Assemblies can be continued and extended so as to bring about improved living and working conditions. Questions of wages, subsidised housing, security of employment and all suitable measures in the fields of health and medicine must form part of our joint undertaking in the social field.

I have noted with interest the various statements and reports and I observe that our two Assemblies will now have an opportunity to combine their efforts, to show the necessary unity of purpose and get rid of overlapping and gratuitous paper work.

I should like to see the closest co-operation particularly in the field with which our social committees are concerned. It is quite impossible that a Social Committee which claims to represent the "Greater Europe" should undertake a programme of work without reckoning with—and building on—the projects of six of its member countries. And, of course, the converse is also true.

In short, I hope that the Social Committees of our two Assemblies will meet from time to time, as they have done with such success in the past, and that the competent executive authorities in the three Communities, together with the representatives of the Economic and Social Council, will participate in their common tasks.

I cannot help thinking that joint action by our two organisations in the interests of social betterment would have a strong appeal for our peoples. And, as a municipal councillor in a large city, where the social problems requiring attention are so

numerous, I earnestly hope that those who are in touch every day of their lives with the problems facing the local population will be associated with this generous task; I speak of the mayors and burgomasters and that indispensable framework represented by the local authorities in Europe.

Moreover, all those who have troubled to take an interest in the subject remarked upon the important part which the third session of the European Conference of Local Authorities assigned to social factors in the task, in which they so earnestly wish to participate, of strengthening European unity.

These considerations of unity of purpose and perfect co-operation between our two Assemblies prompt me to make certain comments about one member country of the Council of Europe, which, thanks to this joint meeting, finds itself side by side with that smaller body that we call the Europe of the Six; I refer to our great ally Great Britain. But before doing so I should like to address myself to my colleague and friend Peter Smithers and tell him how greatly interested we were yesterday to hear his brilliant speech and that we Frenchmen noted certain passages with immense satisfaction. I can assure him that my remarks about the United Kingdom are inspired by the same frank and sincere friendship.

On the European political stock market we, as observers, have noted the boom which has occurred in recent weeks, and it really has been a boom. Through her Secretary of State for Foreign Affairs, Great Britain has announced that she is considering making an application to join the European Coal and Steel Community and Euratom.

We are aware that large numbers of British people are willing to unite completely with their neighbours in six-Power Europe to undertake a common task, but we have never underestimated the traditional attitude of British Governments, of whatever party: their steadfast refusal to commit their country to a political or economic organisation possessing real powers if not autonomy.

Our British friends accepted the Council of Europe which they, moreover, helped to found, and on this occasion I take the liberty of speaking for all convinced Europeans such as ourselves when I pay homage to the political genius of Sir Winston Churchill who, both during and after the second world war, devoted his entire energy to strengthening the ties which unite our free and peace-loving nations.

Nevertheless, the creation of the Council of Europe, which aroused in all of us a great hope, the hope of at last seeing our nations united in an organisation with the political power to become one day a real political authority capable of fitting Europe to play its part in the face of the powerful *blocs* surrounding it, this Council, it must be admitted, is neither stronger nor greater today than when it was first established. Paradoxically indeed, the hope it gave to Europe, which has now somewhat faded, gave it in 1949 a stature which it does not possess now, in 1960. What is the reason for this? It is essentially the fact that its powers have not been strengthened despite the numerous international conventions it has sponsored.

In my humble opinion its only significant achievement is the setting up of the European Court of Human Rights which must be acclaimed as a historic event and will remain a shining example.

This much-longed-for political strengthening of which I have just spoken has been sought within the Council of Europe by six countries who were resolved that the 1949 milestone should not remain a static position but should, on the contrary, point the way to further development of the union it represented.

No one responded to the appeal from these six countries who adressed themselves, first, to their partners in the Council of Europe. We realised with bitterness that Great Britain, the country which had so fully identified itself with its European allies in the defence of liberty by force of arms was now separating herself from us—for reasons on which I will not dwell now. All appeals were in vain. And the Six, repeating these appeals

and leaving the door wide open for any who wished to associate themselves with the venture, have forged ever stronger bonds between European countries.

One of the most valid objections was that the Six alone could not claim to be Europe and that a larger unit must carry out the task that the Six had set themselves; and the right framework for this was, obviously, the Council of Europe. Now, actually the difference between the spirit of the Six and that of the Fifteen is that the former are inspired by a definite political resolve, whereas the latter proceed only by diplomatic methods with their inherent defects and drawbacks of compromise and delay.

We should have understood, if, in an effort to maintain the framework of a "Greater Europe," our British friends had used all the means at their disposal to reaffirm the political authority of the Council of Europe. Unfortunately, this was not the case. At the Council of Europe Great Britain was the champion of the prerogatives of the individual nation in relation to those of a politically constituted group. In the many attempts which were made to group our States and our peoples more closely Great Britain has always exerted a restraining, if not an opposing, influence. And what is worse, thanks to her prestige as a great power she has drawn a certain number of other member countries more or less permanently into line behind her.

Now, it seems, Great Britain wants to avoid any development making for division between European countries. But what did she do when the Common Market was formed, an organisation in which she should have participated? She gathered round her a number of other countries to form the little free trade area. Obviously, her position was stronger once her plans for negotiating with the six countries had been fully worked out.

Now that we know that Great Britain understands the intentions of the Six; now that the Six have explained their aims and shown what they are capable of; now that everyone knows that

the three six-Power Communities, by the very fact that their institutions spring from a common political resolve, are dovetailed into each other in such a way that in reality they form a single entity, now Great Britain declares that she is willing to join two of these Communities, but not the third.

What does this amount to?

It is impossible to understand how a country can be a Member of the ECSC and Euratom—in fact join in the good work, the common endeavour—and yet not be a Member of the Common Market. How is this to be explained? How is it practicable? And if by any chance it were practicable, it would mean plunging public opinion into confusion, for then nothing would be comprehensible, not even that historic event, the establishment of the European Common Market.

If you are a European, if you really want to build Europe, if you are anxious to co-operate with the existing European Communities you must join all three of them, and any discrimination between one or other automatically implies political reservations which must be looked upon with some misgiving.

Furthermore, as proved by experience—and my British friends will allow me to ask myself the question—what can be the purpose of Great Britain's presence beside those who wish to build Europe unless it be to put a brake on progress? And, if Great Britain abstains, well, then, the only consequence will be that the builders of Europe will be able to get on faster.

We hope and pray that Great Britain will join the six Community countries and that all who have taken her lead will do likewise. But on one condition: that she should make a start where she is already established, that she should support the strengthening of the political authority of the Council of Europe; she should acknowledge that the Six form an indivisible whole and that it is not for anyone to attempt to dissociate the three institutions of what is a single undertaking.

I know that Mr. Selwyn Lloyd has stated that the United Kingdom will never join the Common Market. I would reply to him with this passage from the *Financial Times*, which not only raises the question of the possibility of a customs union between the Common Market and the European Free Trade Association but also suggests that "the United Kingdom, Norway and Denmark should join the Common Market". Britain's other partners, says the article, who cannot consider such a step for economic reasons (Portugal) or without abandoning their policy of neutrality (Austria, Switzerland and Sweden) might be associated with this new Common Market by way of a customs union.

Britain's entry into the Common Market, continues the *Financial Times*,

> "would be a revolutionary departure for this country. Yet one cannot help feeling that the Government may be behind the times if it assumes that it would therefore be unacceptable to the country as a whole."

That Great Britain should march with the times is my sincere wish, for then only will Great Britain be able, without reservations, to participate in our common task. Until this day dawns the Six must persevere and continue on the route they have set themselves. They are on the right road, and they must not falter—for the peoples of Europe would not forgive them.

We at the Council of Europe, shall go on, with Great Britain, thanks to her new and commendable attitude, to prepare for that great day, and we shall begin by a much-needed strengthening of the political authority of our institution.

The Chairman. — I take great pleasure in recognising, on our most inadequate ministerial bench, the Marquess of Lansdowne. I welcome him as representative of the Chairman of the Committee of Ministers. Lord Lansdowne has been Joint Under-Secretary of State for Foreign Affairs in the British Government since October 1958. He is well known to members of the Con-

sultative Assembly, having been a member of our Assembly from 1957 until his ministerial appointment.

It gives me great pleasure to call Lord Lansdowne to the rostrum.

Lord Lansdowne, *United Kingdom Joint Under-Secretary of State for Foreign Affairs.* — I should like to begin by thanking the distinguished Presidents of the European Parliamentary Assembly and the Consultative Assembly of the Council of Europe for their kindness and courtesy in allowing me to take part in your debate today.

It is a particular pleasure for me to be present when the Consultative Assembly, with which I am proud to have been personally associated, joins with the parliamentarians of the European Community to exchange views on some of the major problems which beset us. Strasbourg has to me always been a symbol of European co-operation, and this conjunction of Assemblies is, I am sure, a happy portent for the future.

Yesterday, along with many others in this historic hall, I listened with interest to the speeches of Mr. Malvestiti, of Mr. Hirsch and of Professor Hallstein. I remember the last occasion when I met Professor Hallstein. It was in London at a great gathering of Joint Chambers of Commerce of the Common Market countries. As one might perhaps put it, it was an invasion by the Six of one of the garrison towns of the Seven.

Unfortunately, on that occasion I was obliged to withdraw from the room just at the moment when the Professor was rising to his feet to deliver what I was told was a most interesting speech. I did not leave out of discourtesy, because I had gone there to hear what he had to say. I left because I was obliged to answer questions in the House of Lords. Therefore, it was a particularly interesting experience for me to listen to what the Professor had to say yesterday.

We are all sorry that Mr. Krag, the Chairman of the Committee of Ministers of the Council of Europe, cannot be with us

today. It is a great honour to have been invited to take his place. You will not, however, expect me to speak for the Committee of Ministers as a whole. I shall address you as a representative of one of the member Governments of the Council of Europe. I should like before this distinguished Assembly of parliamentarians to talk about the British Government's approach to the question of the political and economic future of Western Europe.

I do not propose to reply in detail to the observations of my friend, Mr. Radius. I hope that what I have to say will serve to rebut observations which I felt were less than fair.

Britain was one of the founder Members of the Council of Europe. This was natural. Britain is an integral part of Europe linked by ties of race, of culture and of sentiment. The British have, in the past, been accused of insularity. Only geographically is this now true. I would submit, Mr. President, that many of the other European countries without the excuse of geography have been every whit as insular—or as insulated—as we. The signing of the Entente Cordiale was perhaps the first major step in the present century towards dismantling this insulation and allowing the current to flow.

The political and economic facts of the post-war world are bringing us all steadily closer together. The natural disappointment that we have all felt over the failure to hold a summit meeting has I think strengthened the will to *serrer les rangs*.

It has been said that Britain has wished to sabotage the great movement on the Continent which created the three European Communities of the Six. I do not believe that this assertion can for a moment stand up to any serious or impartial examination. We British are by nature slow and deliberate, but we have never faltered in our determination to seek ways and means of closer European co-operation. It was for this reason that our Foreign Secretary, the last British Minister to speak in this building, clearly stated our belief in the greatest possible degree of unity of purpose and action among all the countries of Western Europe. Her Majesty's Government will continue to do everything in their power to give effect to this conviction.

Mr. Selwyn Lloyd at the same time explained our attitude towards the three Communities of the Six. He said: "We welcomed the Rome Treaty for its own sake, because a strong political unity of the Six is good for Western Europe and for Britain. We welcome it and will support it." Mr. Selwyn Lloyd, however, expressed the hope that this new European entity created by the Rome Treaty would not develop as an inward-looking political or economic group.

In the course of the interesting speeches which we heard yesterday by the distinguished Presidents of the Communities, they assured us that it was not the intention of these Communities to be inward-looking. Indeed, in his thoughtful report, Mr. Martino asserts that the Economic Community will justify its existence only if it is capable of generating a momentum such as will bring about the closest collaboration between the unified area and the other economic areas of Europe.

For our part, ever since the Second World War, we have consistently shared in the practical tasks of European co-operation.

The commitment into which we entered to maintain forces on the Continent is a visible proof—if one were needed—that Britain is a loyal member of the European family. I think that we should not underestimate the significance to the British people of this agreement under which British forces form an integrated part of the European garrison.

As both MM. Malvestiti and Hirsch confirmed yesterday, we have a very close working relationship both with the European Coal and Steel Community and with Euratom.

As Mr. Hirsch also reminded us, the United Kingdom Atomic Energy Authority and Euratom are co-operating in two important projects organised by the European Nuclear Energy Agency—the high temperature gas-cooled reactor project at Winfrith Heath and the boiling water reactor project at Halden in Norway.

In Rome last month the British Government agreed to join the Six in creating Eurocontrol. This is a scheme for a co-ordinated control of high-altitude air traffic—made necessary by the ever-increasing speeds of modern aircraft. Eurocontrol is vested with supranational powers.

Again, our membership of the European Free Trade Association brings us into an ever-closer relationship with our fellow-Europeans.

Together the seven EFTA countries form a trading group of 90 million people sharing a high standard of living, and possessing many and varied industrial and agricultural skills. Already, as in the Community, a corporate strength and sense of common purpose has developed among us.

All of us in the Seven, however, are pledged to work for a wider European grouping, so we must not look inward either. There are three main reasons for this. First, as Dr. Luns, the Foreign Minister of Holland, who has played such a valuable part in trying to bridge the gap between the Six and the Seven, said recently: "Means must be found of avoiding an economic split in Europe and the ensuing danger of a political split." This we think, is the great danger.

Secondly, we have to bear in mind the position of those of our EFTA partners who do much of their present trade with the Six.

Lastly, we believe that, faced with the competition of the huge economic potential of the Soviet Union and Communist China, a divided Europe could not possibly survive.

The unity of the Six is a good development. The formation of the Seven is also a step forward. We must have the political will to make the most of this progress.

We in the Seven believe that both groups, if they should so decide, could still retain their separate identities and objectives

while participating together in the economic fusion of Western Europe. We are convinced that the fears expressed in some quarters that a wider European economic arrangement would destroy the personality of the Communities of the Six are utterly without foundation.

There has, I think we would all agree, been an improvement in the atmosphere attending discussion of these questions. I am not going to suggest that all the problems—and they are many and very real ones—which face all the countries of Western Europe can easily be solved. Nevertheless, we in the United Kingdom are sincerely willing to re-examine these problems and to take stock of old positions. We are ready to consider anything which is likely to contribute to a solution of the main problem. Happily there seems to be in all our countries a better comprehension of this problem.

I should like now to take a few minutes of your time in considering how this improvement of atmosphere has come about.

The Council of Ministers of the European Economic Community, meeting here in November, adopted a proposal that a Contact Committee should be set up in which there could be discussion of particular short-term difficulties between the two main European groups. It has sometimes been suggested that this idea of a Contact Committee was ignored by the EFTA countries. This, I can assure you, is not the case. By Christmas, the four Western Heads of Government decided to call a Conference to examine all aspects of European economic relations. The Conference, which met in Paris in January, set up the Trade Committee. Speaking to the Press immediately after this Conference the British Chancellor of the Exchequer said that the Contact Committee suggested by the Six might be one of the Groups which could possibly be used to find a solution. The Trade Committee met earlier this month for the second time and established machinery for studying the short-term problems of European trade.

But the short-term problems, important as they are, are not the real issue. Solutions to problems of this kind cannot be more

than palliatives. They cannot provide an answer to the central issue. This, of course, is whether the nations of Western Europe are to co-operate economically and politically or not.

When the seven EFTA countries initialled the Convention setting up their Association in Stockholm last November, they declared their readiness to initiate negotiations with the countries of the European Economic Community as soon as the latter were prepared to do so.

At the meeting of the EFTA Ministers in Vienna in March, they announced the readiness of their Governments to open negotiations for the mutual extension of tariff reductions between the two groups. Although this offer did not find favour, it was sincerely meant to help improve the atmosphere and draw the two groups closer together. At their meeting in May, the Council of Ministers of the EEC approved a Declaration of Intent. In this they stated their readiness to pursue negotiations designed to maintain traditional trade between the two groups in conformity with the rules of the GATT, and, if possible, to increase this trade. Within the week, the EFTA Council of Ministers, meeting in Lisbon, welcomed this Declaration. They affirmed their own belief that such negotiations should make it possible to settle in the common interest the economic problems created by the existence of the EEC and the EFTA.

Shortly afterwards, Mr. Conte presented his report, first before the General Affairs Committee of the Assembly of Western European Union and then before the Assembly itself. Arising from the recommendations in Mr. Conte's report, the Assembly considered on June 2nd a resolution calling for examination of the possibility of United Kingdom accession to Euratom. Speaking at that Assembly my colleague, Mr. Profumo, Minister of State for Foreign Affairs, responded to this initiative by stating that the British Government would be ready to consider anew the proposal that Britain should join Euratom and indeed the European Coal and Steel Community as well. He made it clear that consideration of this more limited question should, of course, be within the context of the wider problem.

Following the meeting of the Council of WEU in The Hague on June 16th, attended by Mr. Selwyn Lloyd, machinery has been established in London to examine the implications of the Western Union Assembly's recommendation and of Mr. Profumo's speech in reply. The Ambassadors in London of the Six together with a senior Foreign Office official held their first meeting on June 22nd.

As the Prime Minister, Mr. Macmillan, has said, we could not contribute to a solution by adopting sudden changes of course or by abandoning old or new friends. In particular, we have our obligations as members of the Commonwealth and of EFTA. And, of course, the countries of the European Economic Community have their responsibilities also. Professor Hallstein felt obliged to draw our attention yesterday to certain special difficulties which might arise in the event of the establishment of a united executive for the three Communities.

Meanwhile, preoccupied as we all very rightly are with relations between the two main groups in Europe, we must not, as Professor Hallstein so rightly said yesterday, forget the countries who sometimes refer to themselves as *le groupe des oubliés*, the countries of free Europe which belong to neither the Six nor to the Seven. Any solution which we find to the problem of drawing the Six and the Seven closer together must provide for the special circumstances of these countries. They can rest assured that their interests will continue to be fully considered —as they are now in OEEC.

The OEEC has made a great contribution to our prosperity. The OEEC is now being reorganized, and the British Government welcomes the prospect of full United States and Canadian participation, which will open up wide fields for future economic co-operation.

We all know the dangers of a divided Europe. Our talents and our energies will be wasted if we cannot employ them in harmony. I believe that a process is beginning which, given the political will and determination, will take us slowly but steadily towards our goal.

The Chairman. — I thank Lord Lansdowne for his valuable contribution to our deliberations.

I have made some calculations, taking the list of speakers left over owing to the accidental failure of the electric current yesterday. Taking the time listed by each speaker, we are left with four hours to get through the remaining list of speakers in the debate, and after that there will be the replies from Professor Hallstein or his representative and Mr. Martino. That will take us well into the afternoon. I shall not impose any limitation on the time of speeches but I ask my colleagues, if possible, to limit their interventions to what is essential and strictly necessary. I should like to close this Session at least in the early part of the afternoon so I ask for your co-operation to shorten our work as much as possible without detracting from its substance.

I now call Mr. Schmal to continue the debate.

Mr. Schmal (Netherlands). — (*F*) Mr. Chairman, Ladies and Gentlemen, I should like to draw your attention to a problem of great concern not only to the Netherlands but to many other countries. I am referring to the immunity from taxation on their salaries enjoyed by the staff of international organisations such as NATO and EEC.

The question has several times been asked in the Netherlands Parliament as to whether any steps are being taken to abolish this exemption. The fact is that the present taxation position of international civil servants is hardly satisfactory, especially as regards income tax. This is why I should like, if I may, to refer to a thesis submitted to the Free Calvinist University of Amsterdam by Mr. Christiaansen, the Government Tax Inspector.

In connection with income tax, which Mr. Christiaansen aptly calls the king of taxes, it should be noted that the salaries of many international civil servants are not taxed in any country so that, even when their other possible sources of income are taken into account, their burden is not very heavy. From the point of view of the equality of tax-payers the situation is not

very satisfactory and can be indeed disagreable for the persons concerned, who are frequently called *nouveaux riches.*

The growing number of international organisations makes it ever more urgent to remedy this situation. According to the author I have quoted there are in existence 70 States; and as against that there are 150 international organisations. The UN alone employs 10,000 people; it is said the EEC employs nearly 2,000. To my knowledge no complete figures are so far available on income tax exemption enjoyed by international civil servants.

After extensive enquiries, Dr. Christiaansen has found that the staff of the UN, NATO, OEEC, ECSC, the Council of Europe and EEC for all practical purposes pay no tax on their salaries. Are such exemptions warranted? The author's answer to this question is no. He thinks on the contrary that income tax should be levied. The choice lies between a national collection to be effected by one or several member States, and a pay-roll deduction made by the international tax such as is provided for by the EEC in particular.

Mr. President, I do not propose to dwell at length on this matter which is anything but easy. This is not the proper time or place to do so, but I insist that it should be put as soon as possible on the agenda of a competent body, so that the situation may be remedied at an early date. It is merely a question of removing a general stumbling-block. An unwarranted privilege should not be permitted to stand in the way of European integration.

The Chairman. — I call Mr. Bournias.

Mr. Bournias (Greece). — Although the day when the two European economic groupings will fuse into a single large entity may not yet be in sight, it must be recognised that both sides now show full consciousness of the dangers—both economic and political—which a permanent rift between them would involve. Indeed, there are signs of a positive constructive change in the outlook of both sides to the problem of European economic

integration. What progress has been achieved in this respect, so far, was put in a nutshell by the British Chancellor of the Exchequer, Mr. Heathcoate Amory, who in a speech delivered recently said:

> "We, the Free Trade Association, and they, the European Common Market, want to look beyond these two groups. We want to see a partnership of the two in a single European market—and to work for that in the full spirit of European understanding and co-operation. That is surely a worthy objective."

This Assembly has every cause to rejoice at this change in outlook, which must be considered a first important step towards the final goal of economic and political integration. At the same time we can rightfully claim a part of the credit for the recent favourable developments in the relations between the Six and the Seven. For it cannot be denied that the moral influence which our Assemblies exert was surely instrumental in bringing about these favourable developments. What is more, the warnings uttered and the constructive suggestions made in the two brilliant Reports presented by Mr. Martino on the work of the European Parliamentary Assembly and by Mr. Heckscher to the Consultative Assembly last April, must have surely been heeded, inasmuch as they set the pattern which the relations between the Six and the Seven ought to assume at least in the immediate future.

For who can possibly deny the truth of what Mr. Martino has to say in one of the most eloquent passages of his Report, namely:

> "The national citadels,"

he said

> "scattered and divided, can no longer meet the exigencies of contemporary life and the needs of the future. Today national rivalries, jealousies and egoisms represent a mortal danger for Europe."

On the other hand, in view of the recent consultations between the Six and the Seven, it now looks as though practical effect will now be given to one of the most constructive recommendations made by Mr. Heckscher who, in his Report to the Consultative Assembly, emphasised the need to establish an appropriate system of constant consultations between the Six and the Seven and among all other countries who are directly interested in the short-term or long-term problems arising out of their economic and trade relations.

At this stage it seems to us appropriate to welcome two further constructive suggestions made in the two Reports. The first concerns the creation of a European university so that cultural and educational factors might be enlisted in the task of hastening the political process of unification. The second suggestion concerns the specific tasks to which the European nations, whatever their present differences, could address themselves in common. In the opinion of Mr. Heckscher such a task would be a European contribution to the development of those countries and regions which are still incapable of building up their respective economies by relying exclusively on their own resources.

Are there no measures, Mr. Heckscher asks, which the Common Market and the Free Trade Association could take between them in order to show their sense of common European responsibility by going to the assistance of other members of the European family, such as Ireland, Iceland, Greece, Turkey and Spain?

These measures have been clearly defined by the draft recommendation submitted to the Committee of Ministers by the Consultative Assembly of last April at the instance of Mr. Costello, Rapporteur of the Economic Committee. The Ministers' Deputies decided at their 87th meeting on the 27th May that this recommendation should be transmitted for further consideration to the European Economic Community, to the OEEC and to the EFTA. Greece fully endorses this recommendation and earnestly hopes that the two organisations will see their way clear to translating this recommendation into action without delay. In doing so they will fully live up to their responsibilities and pay due regard to

the wisdom of the Group of Four, who in their Report of last April say:

> "We are convinced that there is no more important problem for our countries than that of helping the under-developed countries to raise their standard of living, safeguard their freedom and improve the living conditions of their peoples."

Meanwhile Greek experts have been discussing in Brussels with the Executive Committee of the European Common Market a draft Agreement, to be submitted to the Council of Ministers, which provides reasonable solutions on all controversial questions.

There is need to emphasise that, regardless of the general principle of equality, preferential treatment must be laid down in respect of certain basic exportable Greek agricultural commodities, such as tobacco, currants and citrus fruits, and that a specific commitment must be undertaken in principle to provide finance on particularly favourable terms for the infrastructure investments of the economic development programme. Without such special provisions any agreement would be inadequate and to the prejudice of the effective and balanced association of the Community with Greece.

In this respect the statement which was recently made to this Assembly by the President of the Economic Commission, Professor Hallstein, is certainly the most encouraging and positive sign of the successful outcome of the negotiations.

The Chairman. — Thank you, Mr. Bournias.

I now call Mr. Mulley.

Mr. Mulley (United Kingdom). — Unlike the Minister who has just lately spoken I can speak with no special authority. As always, I speak as a simple Englishman who, I am afraid, is in a minority on these issues both in my country at large and in each of the political parties, but I am quite sure that the minority view which I shall seek to express is growing in Britain and growing very fast.

Speaking as an Englishman on issues which involve supranational responsibility, I think one is particularly well qualified to do so, because there is Scots nationalism, Welsh nationalism and Irish nationalism, but when did we hear of an English nationalist? In our United Kingdom affairs we have understood the need to work with those of slightly different views and different races.

I was particularly glad to note in the eloquent speech of Mr. Martino that he referred to the whole range of European culture and illustrated his speech from examples well outside the Six. In particular, I wish to congratulate him on paragraph 78 of his Report in which he said, speaking for the Parliamentary Assembly of the Community, that the Assembly is not prepared to give up the idea of a European economic association.

The surprising thing to me is that that should be so important a statement today and that it should be necessary, so shortly after the beginnings of the great drive for European unity which we saw in the Treaty of Rome, to make that statement. It is surprising to me that this statement by itself, together with the Report and the speech, is so important today in this context.

I have always understood that the European idea was something much wider, something much deeper than the question of quotas and tariffs, customs unions or free trade areas, indeed something much bigger than even elections or commissions, something of a *mystique*, something such as we find difficult to explain, for example, in Britain about the British Commonwealth. I have understood the feeling for Europe, particularly on the Continent of Europe, to be much deeper than political, on the one hand, and economic arrangements, on the other.

In short, I think Europe was conscious that if we are to live in this world and make our impression in this world we cannot do so as individual States. We have the Soviet Union and China, to which reference has been made, on the one hand, and on the other we have the emerging States which will be of increasing importance in the future in Africa and Asia.

Then, of course, we all share the common cultural democratic ideas of freedom and, as Mr. Arthur Conte explained in a most eloquent speech to the Western European Union Assembly, it is absurd to think that Europe should consist of Racine, Goethe and Dante while Shakespeare should be excluded and, in terms of music, is it right to have Beethoven on one side of the line and Mozart—perhaps the nearest approach to pure genius the human race has produced—on the other?

Obviously, the idea that inspired this Assembly in its early days is still important in Europe today and I was particularly glad to have it so well and forcibly put by Mr. Martino, as Rapporteur to the Parliamentary Assembly, because, although the things we talk about have an economic form and shape, it is surely something much bigger that we have as an ultimate objective.

I am afraid that, as so often happens in these matters, we are in danger of allowing the means to elevate themselves to ends. We are forgetting the objective we all set out to achieve of a united Europe in asking about the institutions and the ways by which that ought to be produced. Of course it is said, and said with force, why should we worry for there is still plenty of time? As I have said before, the pace of a railway journey is viewed very differently by those sitting in the affluent comfort of a first-class seat and those sitting on suitcases in the corridor, even though of course the actual passage of time is the same for both.

As Lord Lansdowne said, we must never forget the long run, although I think we must also remember the very wise words of Lord Keynes that in the long run we are all dead. It seems that there is a great contrast, now that Britain at last is being seized to a greater extent of the European idea, that there is apathy in the feeling for Europe, and we find, on the other hand, among its most enthusiastic supporters in the early days this desire for playing it very slowly indeed. I think it would be more than a mistake, it would be a tragedy, if Britain was not regarded as part of Europe. I think we can say, perhaps with a little im-

modesty, that we have some contribution we could make. Certainly, it will be clearly within the recollection of members here that Britain did not fail Europe either in 1914 or in 1939.

Having made sacrifices of the maximum character for Europe, I think we could stretch ourselves rather further than perhaps both some of our friends in Europe and some of my countrymen feel may be possible when they get into the mass of technical detail. As I see the European Commission developing, I believe that, if we do not come to some arrangement in the relatively near future, any extension of the Commission would present very great difficulties. For example, as one walks round this building one is conscious of the absence of the English language from all the documentation, quite properly and naturally, of the Six as at present constituted.

I see substantial difficulties if the Community very naturally and properly advances rapidly along its path, difficulties for other countries to come in at a later stage. Of course, I wish to make it absolutely clear that from my point of view at least, the exclusion of Britain is Britain's own fault. We have had many possibilities.

We have made many mistakes and I think the cardinal mistake was in not joining the European Defence Community, which one might almost say was launched by Sir Winston Churchill himself. Those who are interested in the trend of British opinion on these matters would perhaps like to read the short and very clear book by a former British Minister not unknown here, Mr. Nutting, significantly entitled, "Europe will not wait". Equally we should have joined Euratom at the beginning and we should have been present actively participating in the negotiations and discussions which preceded the Treaty of Rome. We ought very much more quickly than we did to have understood that the Maudling idea of a free trade area was dead.

I do not want to dwell on these matters because in British politics at least—I think this goes for politics generally—there is nothing more disastrous to an individual than to have been right

when most of his colleagues were wrong, and to have been right for the right reasons is practically unforgivable. So I shall not stress this matter any more except to say that often I believe when our friends have attributed to us diabolically clever methods in this move or that they have, as Lord Lansdowne rather conceded, considered the inexplicable move by the British Government as very often being due to slowness or, as a member of the Opposition would say, sheer stupidity about Europe.

Yet in another sense we have perhaps been far too honest. We saw the development of the Community as being immediately a step towards European political federation. I think it must be developed along those lines, but there is actually nothing in the Treaty of Rome which in my judgment we could not accept. Certainly there is nothing I can see in the concept of how the Community should develop as accepted by President de Gaulle which could not be acceptable to us in Britain. There is the additional problem for us as a Commonwealth, about which Mr. Russell has spoken this morning and about which I have spoken often enough in these debates, but I am quite sure that the Commonwealth does not represent an impediment to Britain joining Europe.

Indeed, I should like to see an arrangement in which the Commonwealth countries would be associated with Europe in the way which very understandably the overseas territories of the Six are at present associated with the development of the European Community itself. I am bound to say that I feel rather pessimistic about the way things are developing. I think means are being pursued without the ends being kept in sight. Frankly, I am extremely disturbed by the development of the OECD to replace the OEEC. Like Mr. Russell, I am not terribly happy about having to find a solution within the rules of GATT.

I accept completely the spirit of GATT and recognise the immense work that GATT, with very modest means, has achieved, but I do not think one can find the European solution within the rigid rules of GATT as at present defined. I do not think, either, the rest of the countries of GATT or the United States could resist

the will of united Europe if we could find a solution among ourselves that was just a little bit on the wrong side of Article XXIV of the GATT Treaty.

I was absolutely amazed to find that when Mr. Dillon went back to America after his tour of Europe earlier this year and was asked at a Press Conference why the problem of the Sixes and the Sevens was a political problem he said, "Frankly I do not know. I assume it must be a political problem because the British tell me it is a political problem." The surprising thing is that Mr. Dillon spent a lot of time both with the European Commission and with the Ministers of the countries of the Six. Did they not tell him that it was a political problem? We in Britain were prepared to play the whole thing as an economic situation from the beginning but we were told, as we have been told again here, properly, that this is a political question, and I wonder why the Six as well as Britain do not explain this to the Americans.

After all, the Americans should understand that federation cannot be got overnight. They did not get it themselves, in much more easy circumstances than we have in Europe today, without some controversy. Mr. Martino very interestingly quoted Jefferson on this point. I am speaking very frankly and I am afraid that the affluent society which is emerging in the Six is probably an acquisitive society both in its inward activity and in its approach to the rest of the world. I must say that, whenever I have heard Mr. Wigny or President Hallstein on this theme, I have taken it to be the best explanation of the old English saying, "I'm all right, Jack, thank you very much". When they talk about how they must regard their customers in every part of the world, their relations with the United States and their absolute devotion to the GATT Treaty, I cannot feel that there is a lot of European good will left.

They are, of course, quite entitled to take this view, but if they do take this view, if this is to be the policy of the Community, for goodness sake, please, stop talking about the European ideal as well! As I see it, we have to make this choice. We have

to choose GATT or Europe. For my part here is no hesitation in choosing Europe.

If I may trespass a little on the very precious minutes of this Assembly I wish to ask what we are going to do about it.

I can, of course, commit no one except myself to the heresies I am about to put forward. It is necessary to make quite clear that the United Kingdom cannot act alone in these matters as a result of the development of EFTA. One of the characteristics of British diplomacy has been that we stand by our treaty obligations. It would not be much use if we were to seek to enter another treaty, if we did so by tearing up one to which we are already committed.

At the same time we must realise that the little Europe is building itself up extremely fast and, with the many problems that this development demands, I think there is a good deal of looking in among themselves and not perhaps being as aware as they might be of the world outside. What I think is necessary is for someone to throw a large brick through the window of the little Europe so that they would be aware of things developing outside.

As I see it, only the British Government can throw such a brick, but, I am bound to say, judging by the present attitude of the British Government, that if they were to throw a brick it would be a very small one and it would almost certainly be tied to the end of a piece of string so that they could yank it back and say that they did not mean it. That, as I see it, is the problem of Europe and our relations with it today. I believe that we must not only recognise the existence of the Community; we must do nothing in any proposal we put forward to prevent the speed of that development.

Also, I think we have to establish our *bona fides* with Europe because, for very good reasons, they are undoubtedly suspicious of our motives. I think that if we were to say that all the EFTA countries would join the Common Market—all the Communities

—without reservation, that would certainly cast more than a brick through the window in their internal arrangements, but I do not think they would believe it to be a serious gesture. They would much more likely view it as an act of sabotage. I think that we must, as a long-term view, make it clear that we accept full membership of all the Communities.

Suggestions that Britain can join Euratom or the Coal and Steel Community are, in my view, valid only as a transition and not as an end in themselves. I think that part of the great difficulty of Great Britain in all these matters is that we have not learned the rules of the game in these negotiations; that is to say, that one makes strong declarations of principle and then, by hard negotiating, seeks by appendices to get special privileges and reservations.

The present British Prime Minister, and Sir Winston Churchill and others, were learning the tricks pretty fast here in Strasbourg from 1949 to 1951, but when they took office perhaps their officials persuaded them that this was not really a proper British approach. I think that a practical proposition should be to seek as a transitional arrangement in the European club a category of associate membership which should be open to any European country. This would be contrary to the rigid rules of GATT but, in my view, it would be well within the spirit.

If by associate membership one subscribed to the objects of joining as full members but in the transitional period we gave to the Community half the rates of our external tariffs and received from them half the rate of their common external tariff, there would be, in a period of say, five years, a basis whereby we could work out the new circumstances that full membership would require.

I am quite sure that, while the technical difficulties are considerable, they are not insoluble, but sometimes when I hear experts speak on this I feel that they are like the British foreman who has a difficulty for every solution.

If there is sufficient political will and the same enthusiasm for the European idea, I am sure that we can get a workable solution for all of us. That is why in this Joint Session I attach so much importance to our meeting with members of the European Parliamentary Assembly, because idealism and imagination are not terribly usual characteristics of Ministers and, of course, they are quite disastrous attributes for officials to have.

If the flame of Europe within the Six is to be kept alive and fanned to even greater power, I believe the responsibility of the Members of Parliament in the countries of the Six and, in particular, the Members of Parliament in the Parliamentary Assembly, have got to stress repeatedly these European ideals, as Mr. Martino in his Report and speech and as other members have done in their speeches today. As parliamentarians outside the Six, we look to our parliamentary colleagues in the Six to keep the torch of Europe burning brightly and more strongly in the future.

The Chairman. — Thank you, Mr. Mulley. I now call Mr. Battaglia.

Mr. Battaglia (Italy). — (*I*) Mr. Chairman, Colleagues, Ladies and Gentlemen, I feel sure that Mr. Gaetano Martino's report on the activities of the European Parliamentary Assembly during 1959 and his address yesterday morning are two documents which future historians, dealing with the United States of Europe, will find indispensable.

The, if I may say so, spiritual tone of both the report and the address reveals a faith capable of overcoming all scepticism and one which sees day after day the realisation of ideals for which it has striven and to which it becomes more strongly attached every day.

We have here a document with a two-fold purpose; to make us feel justly proud of the work already accomplished, and to spur us on to still greater efforts so that we may progress more quickly and do even better yet.

In his report and in his address Mr. Martino spoke, with courage and with the hope that springs from mature reflection, of European federalism. He criticised the term "supranational" which, as you will recall, was applied to the first phase of the construction of the new Europe. He stressed the federalist nature of the movement—which does not aim to dominate the nations but to unite and bind them together under one common policy and one ideological banner.

There can be no doubt that we have reached a crucial stage in the struggle towards our objective—coming ever nearer—of the political unification of the European States. In the economic field the need has been felt to speed up the operation of the EEC Treaty, which has exceeded the most optimistic expectations. This result is highly significant for those who appreciate the political importance of economic integration, which is not an end in itself but a stepping-stone to political integration.

From the psychological point of view, the European ideal is no longer the prerogative of a privileged few, scholars and politicians, but is becoming more and more part of the aspirations of the peoples of our six countries. The younger generation, in particular, looks confidently towards Europe and I will go so far as to say that, in face of the growing scepticism which is threatening to overwhelm our young people, and the collapse of so many ideals and moral values, the European cause alone, in as far as it stands for idealism, concrete achievements, culture and progress, liberty and truth, anti-provincialism and anti-chauvinism, the European cause alone, I repeat, is for the new generation a worth-while ideal, the only thing worth working for.

In the political sphere the plan of our Political Affairs Committee for the election of the European Parliamentary Assembly by direct universal suffrage, illustrates, by concrete measures directly affecting the structure of the institutions, how the Economic Community is progressing towards a political Community. Through such elections, as Mr. Martino has said, the European peoples themselves will participate in the process of

unification. And, I might also add, thanks to these elections, the development now taking place will be rendered final and irrevocable: they will give final sanction to the establishment of a European political system. Indeed, the existence of a European electoral body pre-supposes the existence of a European political assembly, a European government and a Europe united politically and politically active. I should like, with your permission, to make a few observations on this subject.

How far away the period which saw the breakdown of the EDC seems now! How mistaken were those Cassandras who prophesied the failure of the Economic Community!

What a debt of gratitude future generations will owe to Schuman, De Gasperi, Jean Monnet, Hallstein, Adenauer, Martino, Pineau and so many other illustrious persons whose names have now become familiar to us and whom I shall not list for fear of inadvertently omitting one of them; those men who, by collaborating in the creation of those embryonic European organisations, have laid firm and durable foundations for the world of tomorrow.

The three Economic Communities (the ECSC, the EEC, and Euratom) have proved that they were not only perfect instruments for economic co-operation but also valuable instruments for the realisation of the one common objective which is the political unification of Europe. Economic co-operation has never been considered as, nor was it ever meant to be, an end in itself; the ultimate aim being political unification through economic co-operation. We have chosen to advance by stages; and while this way may be longer and more difficult it is nevertheless a more realistic and surer way than any utopian attempt to bring about an immediate political union of our countries.

We all realised the need for close union and we sought it in the economic field; but while this union may meet the social, economic and political requirements it should never let us lose sight of our ultimate objective which is to create one great institution.

The need not only to survive, (for were we not encircled by two gigantic *blocs*?) to defend certain specific interests and improve the standard of living in our six countries, but and, above all, the need for self-preservation should surely induce us to unite and build a Western civilisation together based on liberty, culture and democracy.

So we must unite, not only to survive and prosper, but also to preserve for our descendants those high ideals of civilisation and life which made our forefathers so proud to call themselves, Germans, Frenchmen, Belgians, Luxemburgers, Dutch and Italians, and which, combining henceforth to form one single tradition, will give our children reason to be proud of their larger European motherland, of which their own ever-beloved and ever-sacred native country is a vital element. The Europe of the Six will be the link between the fragmentary Europe of yesterday, broken up into so many States, often "armed against one another," and the United Europe of tomorrow.

The Economic Community must accordingly be viewed from the teleological standpoint, if we are to have a proper appreciation of its immense value and its special significance.

But it is possible to judge the Community also by what it is actually doing, its social and economic achievements. European problems may therefore be studied either from a dynamic standpoint—by concentrating our attention on the objective we have set ourselves, that is to say the political community—or from a static standpoint, in other words, by considering what the three Economic Communities have already done and are doing in their respective fields. And to my mind, one of the most striking and most important features of Mr. Martino's most able report is the way he has high-lighted the merits of the European organisations in this dual perspective.

If we stop for a moment to examine its economic aspects, we find that the Community possesses characteristics of great interest not only to politicians and businessmen but also to economists who study these problems and international institutions.

For the first time in history, in fact, we have an economic agreement at international level which goes beyond the limits of a customs union and embraces all the economic activities of the member countries.

The Community is succeeding in opening up markets by introducing a system of comprehensive quotas to replace the bilateral quota system, by abolishing customs duties or excise charges of equivalent effect, and by introducing a uniform customs tariff ; it ensures that the rules of free competition are rigourously observed, studies transport problems, co-ordinates forms of energy, intervenes in the rather specialised and very delicate sector of agriculture, keeps a watchful eye on the present economic situation with the help of the two Commissions and the High Authority; it is aiming at setting up a common balance of payments and a common monetary system; it helps to solve structural problems in the economies of the six countries by measures to improve the standard of living in backward areas, to ensure the free circulation not only of goods but also of capital, services and labour; it co-ordinates trade policy and economic policy; lastly, it is active in matters of taxation and co-ordinates legislation in the economic field.

But the Community as an instrument of social progress provides an even more interesting study. It is this aspect which distinguishes it most clearly from other international economic associations and brings out its full importance as a political institution from the teleological standpoint.

It differs from all agreements concluded hitherto in that they did not concern themselves with the social conditions existing in member countries, regarding them as being strictly a matter for the Governments.

The Communities' teleological value again becomes apparent in the measures it has taken with regard to employment; here the intention is to create a situation of equality for all by eliminating anomalies in the labour-market. In a federal State, the labour-market must be governed by uniform regulations.

So it aims to remove inequalities in living standards, arranges for free circulation of workers, paying attention to their qualifications, adjustment to new surroundings and retraining; with the help of the Social Fund it takes steps to eliminate or prevent disparities.

But the Community is also, and above all, as we have already pointed out, an instrument for promoting political progress. It could not be otherwise without betraying the mission assigned to it by the champions of gradualism, the purpose for which it was created and to which its energies are directed.

The Community is therefore political by its nature and by its mission. This political character is clearly apparent in its internal structure and in its external relations. There are international political issues that a community not only cannot shirk but is compelled to resolve, whether it be an economic or political community; problems which are not solved simply by forming the community, but which, indeed, become apparent only after the Community has been formed.

I merely wish to refer briefly to the relations between the Community and overseas countries, its relations with third countries, more particularly those of the EFTA and, lastly, its relations with the United States and the countries of the "Eastern *bloc.*"

As regards relations with overseas countries and territories, the form of association that has been adopted is, perhaps, to my mind, too abstract and superficial. This is a problem which must be tackled resolutely and by means of economic assistance and psychological and political support. We must not forget that these are rich but young and inexperienced countries. This is no place to discuss European colonisation methods. But what is certain is that times have changed; the sacrosanct rights which we proclaim are not valid merely on this side of the Mediterranean; discrimination for reasons of colour of a man's skin or racial differences is as anachronistic as would be dis-

crimination on account of the colour of his blood or differences of birth. It is not enough to believe in these principles; we must act on them. Dante tells us that the indifferent are punished in the next world; and "*si parva licet componere magnis*," I would remind you that our indifference in this world would result in these vast resources of wealth and manpower falling into the hands of our adversaries, who, strangely enough, claim to be the sole depositories of our civilisation. We must tackle this question seriously, not forgetting that all our efforts must be based on the full recognition of human rights from which these peoples cannot be excluded. With regard to relations with third countries and proposals for a European economic association, we must solve the problem as rapidly as possible, without sacrificing any of our principles and always keeping in mind the objectives of our Community; were this problem to remain unsolved, the economic position would probably be only partially affected, but the consequences would gravely threaten Atlantic political solidarity.

We have created neither a closed nor a self-sufficient community: admittedly we want the little Europe but it is for Greater Europe that we strive and pray.

I should like, in conclusion, to say a few words about the internal structure of the Community. The Committee dealing with political affairs and institutional questions has presented a report on the election of the European Parliamentary Assembly by direct universal suffrage. In my opinion through such a transformation the present Assembly will acquire considerable political importance and the psychological repercussions of this extension of its importance on the propagation of the European idea through these elections will be no less considerable. These repercussions will, in my view, constitute one of Europe's major sources of strength.

The essential political foundations of Europe of today will be the Assembly elected by universal suffrage and the common headquarters that we have been hoping for so long and which is now a matter of increasing urgency.

Much has been done, as I said at the beginning of this address, and we should be justly proud; but much remains to be done, and we must endeavour to maintain the present rate of progress in our organisation that we have struggled so hard to achieve. For, were we to halt even for a moment we should cause irreparable damage to the edifice we have constructed with so much good will, devotion and faith.

Let us realise that only if we are determined to continue with all our strength the work of building Europe, and if the countries outside, which are observing us closely, stop and think again and, instead of throwing tiny little pebbles at us, attached to cotton-threads, proceed to throw stones at Britain or some other State, shall we contrive to reach more quickly our destination where we must get to if we are to live at all.

Let us realise that only by our determination, I repeat, to continue building Europe with all our energies, by silencing old nationalist feelings—the cause of war and destruction— and by following our chosen path to the end, shall we be able to give our countries that strength which they have the right to claim by virtue of their ancient civilisation, and shall we be able to look towards the future with assurance, knowing that Europe will be able to play her role between the two great *blocs* at present dividing the world.

And here I should like to ask a little question, Mr. Chairman, Ladies and Gentlemen. If the United States of Europe had been a reality do you think we should have had to put up with Mr. Khrushchev's arrogance and conceit, to say the least—which we have necessarily mentioned in Paris? If Russia were to cease for one moment to hope for a schism in Europe, we should be spared so much anxiety, and this easing-of-tension we hear so much about, which hitherto has been based solely on words and probably on insincerity, would then become a reality.

Hence the categorical imperative to build Europe, the larger Europe, if we wish our peoples to survive and enjoy the fruits of this ancient civilisation of ours, the fruits of that freedom, which is the finest food of the spirit.

The Chairman. — I wish at this stage to call the President of the High Authority of the European Coal and Steel Community, who would like to make a few observations on the course of the debate.

Mr. Malvestiti, *President of the High Authority.* — (*I*) I would very much have liked to take part in all the discussions and to speak either before or after my friend, Mr. Hallstein, but unfortunately, owing to pressing commitments, I have to speak now, for which I sincerely apologise. Still, I shall try to be extremely brief, the more so as it seems to me that the sole comments that the Executives can make at the present moment concern only one fact.

We have listened with keen interest to the statements of various speakers, in particular that of Lord Lansdowne. None of them contained any proposals. Actually, definite proposals might have been out of place, premature and perhaps even a serious mistake, just as it would have been equally mistaken on our part at the present time to make any proposals directed, for example, to bringing the United Kingdom closer to the Common Market and the Communities. But one thing we have noted which is worth emphasising is the new atmosphere prevailing. I remember that as recently as last year, I gave a lecture in Rome on the subject of the Free Trade Area, in the course of which I could not help pointing out that a prominent British personality had made the following remark : "Was it worth winning the battle of Waterloo, only now to be faced with the Common Market?"

Such then, to be quite frank, was the atmosphere in 1958 and 1959. And we might as well admit now that there were some who did not believe in the future of the Common Market. That was their first psychological error. When it was seen that the Common Market was actually working, the second psychological error followed: the worst attitude that a politician can adopt when faced with the facts, namely, to lose his temper. Well, we all lost our tempers.

Yes, all of us on both sides, were very angry. Today however, the only really useful thing worth noting—at least I will venture to say so—is that the situation has more than changed; it has been completely transformed.

Something new has happened; the moves being made to reconcile the two sides, the signs of closer understanding, are creating a suitable atmosphere for concluding definite arrangements to overcome the outstanding difficulties, which we must admit are numerous.

Mr. Battaglia has spoken of "a wave of scepticism." There may be something in that, but I do not think so. I have the impression that business circles and, first and foremost, French employers who, for many centuries, have been following the tradition of Colbert, are today in favour of the Common Market. They are absolutely convinced that nothing can be achieved outside the Common Market, and that the Common Market has come to stay. Furthermore, political circles and, particularly, the younger elements, as has been so well said by Mr. Battaglia, whilst there is little else they believe in, undoubtedly believe in Europe. They sincerely believe that only a united Europe will be able once more to play a prominent part on the world political scene.

Now that we have noted with great satisfaction the existence of this new atmosphere I should like to give a word of advice summed up in the wise Latin saying: *festina lente*, "more haste; less speed:"

We are dealing here with an irreversible process. Indeed, we must remember what happened during those tormented years 1936 to 1940 and, during the war, in connection with the concept of "*espace vital*" or "*Lebensraum.*" Today the predominant idea is that of large economic units.

In the days to which I am referring the sole object of the "*Lebensraum*" concept was to assert by force the supremacy of one "leader" State. Today the only aim of the large economic

unit is to be the essential means, since the failure of world-wide free trade, for attaining one day the logical solution of universal free trade. In other words, we *can* establish world-wide free trade but only if we pass through the stage of large economic units.

It only remains for us now to study and work with the patience and tenacity of the peasant who tills his land to make it fruitful, even under threatening skies, so that his children later shall never lack bread.

Thank you, Mr. Chairman. (*Applause.*)

The Chairman. — I call Mr. Heye.

Mr. Heye (*Federal Republic of Germany*). — (*G*) I should like to say a few words on the political problem. First, may I thank Mr. Martino for his statement not only because of the shrewd things he said but also because of his optimism. All this lends great weight to his report. I am often much concerned to note that in this materialistic age our political ideas, and our parliaments also, suffer from too much specialisation. Politics, I believe, will continue to be the decisive factor in the life of nations. Economics, defence and cultural and social activities are all aspects of politics. In our age, when peoples are engaged in "total war," whether hot or cold, all these aspects are of equal political significance. Today, as we know only too well, war is no longer a mere military contest but a conflict between peoples and groups of peoples.

I am convinced that we have come to a turning-point in history. There are two factors that have a decisive influence on our age: first, as in the time of the mediaeval wars of religion, the world's two major *blocs* are sharply divided by differences of philosophy. Thus all conflicts with Bolshevism take the form of a struggle with an almost fanatical ideology.

The free peoples of the world and, in particular, those of Europe cannot, even if they are technically neutral, avoid the

inevitable consequences of these philosophical differences. In other words they cannot escape the 'cold war.' The very concept and nature of neutrality have in fact changed radically during the last 50 years and will, I am convinced, continue to change.

The second decisive factor is the frenzied development of technology which, it seems to me, neither individuals nor the responsible political authorities have been fully able to control. There is a serious danger in this for in any case we are now living in insecure times when no one knows what the next day will bring. The course of political events cannot be determined in advance like a film script. There is one thing, however, that we must always bear in mind, namely that whatever happens, the free world and the NATO countries in particular, must strengthen their internal co-operation.

All regional groups, such as the European Economic Community, help to strengthen the very foundations of the free world. The necessity of ensuring that the unity of the free world shall remain unshaken takes precedence over any specific economic or defence question or the solution of any other common problem. The slightest rift may one day widen into a political abyss.

I am firmly convinced that we shall solve the problem of relations between the EEC and the EFTA for the simple reason that such a solution must, in the interest of all, be found. I am sure that the United Kingdom will find a way of co-operating in Europe's regional tasks, for, in the long run, in addition to the other free countries of Europe, the United Kingdom and indeed the Commonwealth will only be able to survive if they join, as active partners, a large community of free peoples. I would even go so far as to say that the United States, too, which up to the present has given the free world support, will feel more and more the need to join such a group.

Until quite recently, the United Kingdom was able, as it were, to watch the European continent from the sidelines. But now we know, as Lord Lansdowne pointed out a moment ago, that Britain can no longer be regarded as an island and must

concern itself much more than in the past with continental problems. Thus Britain, too, on European soil, fulfils a function of the free world. In a word, it is no longer cut off or protected from the rest of the world by the English Channel, which is now of little more significance than the Thames or the Rhine.

A sound federal system will enable us gradually to achieve our common goal. I wonder, however, if the swift march of events, characteristic of a turning-point in history, leaves enough time for such gradual development. Think of the Summit Conference, and the situation in Japan and in Communist China! Above all, think of the difficulties that arise at NATO whenever Soviet tactics seem to point to a fundamental change in Communist objectives. Under the pressure of the East, NATO and Europe have during the last 15 years changed to a new political course which no one could have foreseen. We must continue to follow the new course, and more resolutely.

Our aim must be to co-ordinate, as far as may be necessary, the plans and actions of the free world in the political sphere. Indeed, if the EEC, WEU, the European and even the North American members of NATO all remain alone and isolated, they will be unable, in the long run, to survive. Each part of the world is, in every sector of political activity, dependent on support from other parts of the world. Any common policy must be based on this principle. I consider, therefore, that any initiative of ours, wherever it may occur, whether in NATO or elsewhere, must be fully subordinated to that principle of solidarity which is of vital importance to the survival of all peoples, jointly and severally. (*Applause.*)

The Chairman. — Thank you, Mr. Heye.

I call Mr. Heckscher, Chairman of the Economic Committee of the Consultative Assembly.

Mr. Heckscher, *Chairman of the Economic Committee of the Consultative Assembly.* — I shall be as brief as I can, but I should like to begin by saying that a meeting of this type for

confrontation of the views of the parliamentarians of the Six and the parliamentarians from other European countries is extremely useful, and particularly useful if we are being quite frank with another.

It is with great pleasure and great satisfaction that I have read the Report of Mr. Martino and I should like to refer particularly to what is said on page 6 at the end of paragraph 7:

> "The six-country Europe is only a transitional phase between the divided Europe of yesterday and the fully united Europe of tomorrow. It can only be justified, from the point of both reason and sentiment, if it is considered as the embryo of a small community embracing all the peoples of Europe."

This is very definitely in line with what the Consultative Assembly has always maintained. In the face of difficulties—and also in the face of the very great success of the European Economic Community—the Consultative Assembly has always insisted that the idea of Greater Europe must never be relinquished. Of course, there are different views of what "greater" should mean in terms of institutions. I have to admit that, personally, I am not afraid of supranationalism at all, that I should, personally, welcome a federalist solution to the European problem, but it is a solution which, in so far as greater Europe is concerned, must be very distant. When I say that this is my personal view, it means that it is the view of only a very small minority of my countrymen.

We must be realistic. Even if we want federation, nothing is to be gained by insisting that we should have federation or nothing at all. It is necessary to achieve European unity by the means which are available in the given circumstances, and at the moment we have a very peculiar situation. If the European Economic Community had been established simultaneously with the European Economic Association which was also envisaged we should have had no split of free Europe into groups. There might have been other disadvantages in this. I should like to be able to say that we should have avoided at least this difficulty,

but that was not to be. We now have the two groups—on the one hand, the European Economic Community and on the other hand, the European Free Trade Association. They belong to the facts of life; we have to recognise them.

If we are to achieve unity and get anywhere from the point where we are now, it could only do harm if one were to try to separate any Member of the Community from the other Members of the Community or any Member of the Free Trade Association from the other Members of the Free Trade Association. Both these groups, different though they are in their institutional set-up, have to be taken as groups, as entities. I admit that attempts were made on the part of the non-Six to influence certain members of the Six particularly in a certain direction, and it is perfectly legitimate if the Six retaliate by trying to influence one member of the Seven to the exclusion of the others, but I think that these attempts will fail in the case of the Seven, as they failed in the case of the Six, and, frankly, I think we should do better to relinquish all such attempts and to try to deal with the two groups as they are.

There have been references here to the improved atmosphere. Lord Lansdowne mentioned one reason for the improved atmosphere. He mentioned the possibility of short-term solutions, and I think that is one reason. The Commission and the Community in general have made it quite clear that they are willing to consider short-term solutions, which would obviate the more serious difficulties. That is extremely useful. We have reason to be grateful for this offer on the part of the Six, though we must not over-estimate the effect. Things such as tariffs and quotas can lead only to conservation of the existing trade and not to an expansion of trade between the Six and the others.

That will have to depend on other circumstances. But these other circumstances are also forthcoming. The growing liberalisation of the Communities and the increase in the external trade of the European Economic Community, mentioned yesterday by Professor Hallstein, have been very successful in establishing this better atmosphere, but I would say that both the

one and the other are in a certain sense subordinate to the actual facts of economic life. Professor Hallstein in his speech yesterday mentioned the "*Konjunktur*" as a reason for the acceleration proposals of the Commission. That is quite true. That is one good reason for the acceleration proposals. But the "*Konjunktur*" is also a reason why relations between the Six and the Seven are at the moment not creating such immediate concern as they did previously when we met in joint session in January 1959, when we of the non-Six were all very much concerned about the effect of the establishment of the Community. That was during a recession. We now meet during a boom, and the picture is different. There is now room for expansion in all directions.

But, if this is the case, and if this is one of the main reasons why the atmosphere at the moment is better than it used to be, we must also remember that these are circumstances which may perhaps not exist for ever. There are in the present economic situation inflationary tendencies, and these will undoubtedly be strengthened if new investments are required not to increase production but to maintain the existing volume of trade by perhaps diverting it in a new direction. Investments which do not correspond to an increasing production are directly creating inflation, and, if we have too much inflation, that may pave the way for another headlong rush, sweeping away liberalisation and the improved atmosphere.

From this point of view there are two things which we must remember. In the first place, even though we cannot tell our business men of the different countries what solutions can be found to the general European problem, yet we must make it quite clear to business circles that the solutions are being sought and that there is complete agreement among the countries of Europe that in no circumstances will a real and permanent split in Europe be permitted. If they know this, and believe us when we say so, that should go a long way towards making it possible for business to make its plans. In the second place, we must try to find a solution to our common problems one way or another at least before there is a risk of another recession. We

must use this favourable opportunity, as Mr. Martino suggested yesterday, while there still is this favourable "*conjoncture*" from which we are at present all benefiting.

I shall be very brief in speaking of the types of solution which are possible. We have talked about this many times before. I should like to refer to the excellent speech by Mr. Vos yesterday. I agree completely with him when he says that the old idea of the free trade area of the old type is no longer an interesting idea. Nobody thinks that the problems of Europe can be solved in that way. Personally, I like Mr. Vos and Mr. Mulley, hope that we shall ultimately have a European Customs Union move or a free trade area together with harmonisation—whichever one likes to call it. I think it would be possible to devise such a solution which would be in keeping with the rules of GATT.

But, in order to get closer to this, there are certain things that we can do. In the first place—here I turn to the Seven—the more the Seven manage to harmonise their commercial policies and their tariffs the easier will it be in the end to reach a solution between the different groups in Europe and with the other countries which do not belong to any group.

Next, the GATT negotiations which are beginning in the autumn, and will, no doubt, go on long into next year, provide an opportunity for co-operation between European countries whether they belong to the Community or the Free Trade Association or to neither. GATT, after all, is not primarily an organisation which provides for free trade areas and customs unions. It is primarily an organisation which provides a basis and a framework for bargaining and bartering in matters of commercial policy, and we of the countries of Europe must use GATT to that purpose. I think there are great opportunities before us in that respect if we work together, but, if our existing differences are brought into the GATT negotiations, much harm will be done, too, and a future European solution will be made more difficult.

Next, we should make a joint effort, whatever group we belong to, for development areas both inside and outside Europe. In this respect I should like to say a few words about the new organisation which is about to be established. The work of the OEEC has probably been one of the most valuable things that have happened in Europe after the war. We now hope that the new organisation, the OECD—the Assembly has expressed its views in this respect—will have sufficiently wide functions and that partial European arrangements as proposed by the Assembly will be possible under the new organisation in the cases where the non-European members are not willing to participate, at least for the time being. It is possible that some transfer of functions to the Council of Europe may take place, but I do not think there is very much to do in that respect. The main thing is to see that the new organisation gets sufficiently wide powers and functions.

Before concluding, I should like to say one or two words about my country. I say "about my country" rather than "for my country." We are a small country on the fringe of Europe. It takes a good deal of effort to educate us into consciousness of our European ties. This education is on its way. As usual, parliamentary opinion is slightly behind popular opinion, and Government opinion is slighty behind parliamentary opinion. That is perfectly normal. However, perhaps I might, as an Opposition member, say that I think that even the Government have not done so badly in the last few years. They have shown a little more interest in European matters than before. But—this is why I mention it; it is true of us as of so many other peoples who are not quite conscious of their European ties—we must have hope and we must see at least the possibility of a real European solution, including all of us. The Secretary-General, in his thoughtful Report quoted by Mr. Vos, puts his finger on many important facts in this respect. Above all, the Consultative Assembly has always insisted that greater Europe is not only an objective but *the* objective, and that this objective must be sought in the economic field as well as in any other field.

This is what I think it is most important at the moment for us to say on the part of the Consultative Assembly to the members of the Parliamentary Assembly. Let us not forget that, although we are working by different means and by different roads, we are working for greater Europe. We are working for the unification and the integration of Europe in the economic field in order to pave the way for unification and integration in other fields as well.

(*The Lady Horsbrugh replaced Mr. Federspiel in the Chair.*)

The Chairman. — I call Mr. Montini.

Mr. Montini (Italy). — (*I*) I shall try to be very brief and deal with only three subjects, namely general policy, cultural activities and social affairs.

As to the first matter, I venture to put the following question. Is Europe advancing towards political unity? During the past few days we have had information which shows that the three Communities are rapidly proceeding with their political plans and that their institutions have indeed made progress in this respect, though we realise there are political limits to their activities. Mr. Hallstein has told us that in modern economic policy the old principle of the most-favoured-nation is being abandoned and that new political prospects are opening up.

A fundamental question, however (in order to be brief I shall not give any examples) is this: are the three Communities, even if they are progressing jointly as an integrated entity, constitutionally able effectively to play the role of a European political centre? For such is the hope expressed in the report presented to us yesterday so judiciously by Mr. Martino.

This question is a delicate one, since, in effect, the three Communities leave the door open, as was said by Mr. Martino, but he went on to say that the main features of the Communities must not be interfered with. Those who want to enter the Communities through that open door must realise that the political and other aims of the Communities will remain unchanged.

True, originally it was intended that the three Communities should constitute the nucleus of Europe. Today, however, in the light of what has happened, they represent essentially an institutional force which has the effect of shutting out others, and it may be wondered whether their very nature will not prevent them from playing such a role.

Secondly, the question whether or not the United Kingdom is to be associated with the Continent has lost some of its importance. Why? Because it is already associated with the continent through the Seven. Britain has subscribed to a common European policy—though not that of the Six. She has felt that the basic centrifugal policy of the three Communities may not be the guiding thread for European political unity.

It is not a matter now of federalism or non-federalism, a question which I, as a long-standing member of the Assembly of the Council of Europe and an old supporter of federalism, have anxiously debated in my own mind but am unable to resolve. All those who share in the work of the Council of Europe realise that there is a framework of European policy broad enough to arouse many hopes but they cannot at the present time see that anything exists capable of fulfilling the function of a European central focus. There is no need to disturb the process of development of the institutions.

That is particularly true of the integration of the three institutions of the Communities, which must be allowed to proceed. I had the honour of taking part in the WEU debates concerning the United Kingdom's participation in Euratom. Since then, the question has arisen whether, politically speaking, such a step might be regarded as the first step towards a solution which, while respecting the autonomy of the three Communities, the lines on which they work and will inevitably develop, would at the same time promote progress towards European unity.

Those who took part in that debate or read the official record know that this question remained unanswered. However, they

realise that this was the only way. All the European institutions are still in process of development, and it will probably be necessary to envisage a number of different solutions. Among the many existing institutions it will, for instance, be possible to select that which is best able to carry on and develop the political activities necessary for the achievement of European unity.

I think that this is a task that could be performed by the Council of Europe, though I know that it is ill-prepared for it, being, so to speak, only a forum or, even less, a round table for discussions between politicians.

I know too, that its functions are purely consultative, but I know also that, as things are going, in connection with the current general review of policy in the economic and political field, the OEEC is about to change its institutional form. Our three institutions, for their part, are endeavouring to work out an international policy that will enable them to achieve a better political structure. Naturally, still other organisations might be considered. I would like the whole problem to be discussed at parliamentary level which may be the only way of establishing provisional links without obliging anyone to subscribe to a common European policy.

I shall take care not to draw the conclusion that the policy adopted will be a federalist one, as I would wish it to be—and as I am certain it will be, for the six Community countries, which are already aiming at a federal goal that is more or less in sight. But outside this structure it would seem difficult to set up another parliamentary institution which would meet our needs better than the Council of Europe.

Having shown how difficult it is to find a common political basis for discussing problems concerning the institutions of the Six and Europe, I shall conclude the first part of my speech by expressing the hope that the Council of Europe will be found the most appropriate institution for the pursuit of our aims.

I shall now deal, more briefly, with cultural questions. It has been proposed that a European university should be set up.

I whole-heartedly endorse this idea, which, as has been stated by the Chairman of our Cultural Committee, is aimed at bringing about wider European unity and thus goes beyond the framework of the six-Power institutions. As Mr. Martino has said, the spirit and hope of Europe are to be found at the top, at the cultural level. It is at this level that a university can be set up that is not confined to the Six or Seven or any other given number of States.

I should like to put forward another idea. I am thinking in particular of the infants of today, the children of Europe, who from a whole generation potentially capable, despite differences in language and national traditions, of building the Europe of tomorrow and of becoming the guardians of European unity. It is surely true to say that child welfare from the educational, health and recreational point of view can be organised in Europe on a common basis? Is it not equally true that these children will be able to speak several languages, which was not true of our generation. Lastly, can we not look to these very young members of the new generation to achieve the cultural unity of Europe and form a *populus Europae*, a European people, made up of different nations?

I now come to the social questions. Mr. Martino's report refers to the question of vocational training and of giving priority to the problem of manpower movements. This, too, is a major problem that goes beyond the framework of the Six. Yet this is not really a problem of European policy, for no one decides to emigrate unless he is obliged to do so on account of his interests and even then it is a painful experience to leave one's country. The truth of the matter is that the chief problem is vocational training; if this is encouraged, the question of emigration and, therefore, adaptation to a new environment will not arise. Well, on this point too, I would say that one could go a long way beyond what has already been done in the Six countries.

Is it not a fact that WEU recently transferred to the Council of Europe its competence in the social field? It is not also a

fact that under the Brussels Treaty, to which the United Kingdom was a party, experts studied questions of social security and health and a whole series of questions which do not concern the Six alone but also take into account the requirements of a very broad European social policy? I wonder whether, after the transfer of social affairs to the Council of Europe, it would not be desirable to draw up, at least at the level of the experts, uniform directives. From the parliamentary point of view, social problems should not be discussed by the representatives of the Six alone but by a body with a wider parliamentary membership, such as the Council of Europe.

In conclusion, I would sum up the situation by saying that the scope of Europe goes beyond the institutions at present in process of formation. Perhaps "above and beyond the reports of the Executives, the Council of Europe will afford us the opportunity of continuing this discussion." Thank you, Madam Chairman.

The Chairman. — I call Mr. Czernetz.

Mr. Czernetz (Austria). — (*G*) Mr. Chairman, I have been asking myself these past two days what could be the point of this debate. Would we not inevitably be repeating what we have told one another so often before Was there not a danger that the two Assemblies would engage in propaganda against each other and stir up each other's feelings, which would indeed be undignified behaviour for an Assembly such as this.

However that may be, there are at present certain established facts, and the Common Market of the Six is one of them; it is an organisation in the making and a successful one. There is no denying that this achievement has confuted all the sceptics— and there were many both inside the Community and without who were sceptical. It is a stepping-stone towards the integration of our six countries.

Then there is the community of the Seven which is a looser and quite different type of community. It exists and will

continue to exist, of that there can be no doubt. So far no understanding has been reached between the Six and the Seven. The broad European solution we had hoped for has not materialised. But neither, it must be admitted, have the catastrophic consequences which many of us feared.

Now negotiations are in progress for a reorganisation of the OEEC. No doubt the failure of the Summit Conference in Paris has made us more firmly convinced of the necessity not only for Western unity, the unity of the free world, but also for a closer understanding in Europe.

Mr. Chairman, all the speakers have told us that the improvement in the atmosphere between our several countries is more promising for Europe. I have been wondering whether it would not be better if we talked a little less about it? On thinking things over, I feel it was perhaps a mistake to hold this joint meeting of the Parliamentary Assembly of the European Economic Community and the Consultative Assembly of the Council of Europe. Perhaps it would really have been better to try making short-term readjustments to our trade policy first of all. In any case it is useless at present to press for a solution to the broad European problem. Let us not delude ourselves; such a solution is not within the bounds of possibility at the present moment.

When Mr. Hallstein declared in his address yesterday that the European cause would be better served if practical questions were given priority over questions of principle for a time, I thought to myself, not without some hesitation: perhaps Mr. Hallstein is right. I confess I was very surprised when, shortly after announcing that it was not opportune to discuss questions of principle just now, Mr. Hallstein brought up the question of accession to the European Economic Community, welcomed any signs of a move in this direction and declared that in the present circumstances this was the right step to take.

I could not quite follow him here. Does Mr. Hallstein not consider full accession to the European Economic Community as

a question of principle? Surely this cannot be regarded as a short-term solution. In my opinion this is *the* main question of principle.

I was very surprised also when Mr. Hallstein declared that the European Economic Community's policy was in no wise a policy of strength but a policy which, though firm, was always open to concessions. What was the point in denying that they were pursuing a policy of strength when no one had mentioned such a thing. I must say this remark astonished me.

Right from the start, Mr. Chairman, it has been widely proclaimed that the door of the EEC was open. But the difficulty is getting in through that door. After all, the important thing is not whether the door is open but whether one can go inside and stay inside. But I shall not go into this question in detail at the moment. It has been said often enough that it is impossible for certain countries to enter by this open door; it is not even absolutely certain that, once in, they would be able to hold their own. But I do not intend saying any more on that subject either just now.

Mr. Chairman, it would be wise for us, I think, not to cherish any vain hopes after what Mr. Hallstein has said—I felt at the outset, as I have said, that such a consideration of fundamentals was untimely.

The Community of the Six is an important historical development and should be recognised as such and welcomed by all, but I would ask all my colleagues and, above all, the leading personalities of the Community to realise once and for all that the more flexible Community of the Seven is also a fact. Everyone who is familiar with British policy and who heard Lord Lansdowne's very circumspect address this morning will have noticed that the British Government spokesman said, using these particular words, perhaps for the first time: We consider ourselves bound by our obligations to the Commonwealth and the EFTA. It is worth noting that the British representative thereby placed the EFTA on an equal footing with the Commonwealth.

The expectation in many circles that the Community of the Six would never be realised or would disintegrate or that one or other of its Members would break away proved false. It would be equally false to suppose that one could break down the loose structure of the EFTA. The fact that it is loose does not mean that it will collapse.

I would be a good thing for both sides if they would show each other a little respect, particularly as regards the difference in their views and institutions.

Although the opinion that questions of principle might be set aside at first appeared to me to be justified, I must nevertheless now say that an understanding between the Six and the Seven—and the frequently forgotten Five—is a prime necessity for Europe. That must be stated quite clearly and unequivocally.

In his address Mr. Martino spoke of Europe, greater Europe. I agree with him entirely. In his written report he said, amongst other things, that the Trade Policy Committee of the European Parliamentary Assembly considered that the Stockholm Agreement had smoothed the way towards a European Economic Association. I am pleased that in the report to our Assembly it was again said that this second European group could facilitate negotiations in this direction.

My friend Mr. Vos also speaking about this yesterday, said: all sides are here now! Was the objection not always put forward at the time of the Maudling Committee that it was impossible for the eighteen Governments to consult with one another and reach a satisfactory agreement? The question was always asked why was the European Commission not asked straight away to take part in the negotiations. Well, now it is here, and the EFTA Council of Ministers is also here, all the interested parties are here, so let us talk matters over

I was very pleased to hear Mr. Martino, the Rapporteur of the Assembly of the Communities, state quite categorically that the European Parliamentary Assembly was not prepared in any

circumstances to renounce the idea of a broad European economic association. I found that statement very welcome.

However, we are justified in noting that there are certain differences of opinion and attitude between the European Parliamentary Assembly and its Committees and the Commission of the European Economic Community, presided over by Mr. Hallstein. The attitudes of these two bodies are not absolutely identical. This was apparent earlier from the minutes and reports of meetings; it has again become evident from the discussions at the present meeting.

My friend Mr. Vos said in his address yesterday that the way should be prepared now for a common European solution. I agree with him whole-heartedly. He regretted that some held the view that it was possible to go on making provisional, short-term solutions until the end of 1961, and that the question whether a comprehensive European solution was still necessary could be reconsidered at the beginning of 1962. If Mr. Hallstein regards the full accession to the EEC of all countries which do not yet belong to the Community as a provisional, short-term measure, and assumes that, in the meantime, all these countries will have joined, then we might indeed envisage a different conclusion, namely that a comprehensive European solution would no longer be necessary.

Mr. Chairman, let us make no mistake about it; it will always be necessary and for that reason it seems to me that we should start making preparations forthwith. Professor Heckscher has just reviewed the situation from the standpoint of "conjunctural" policy, and Mr. Vos also mentioned yesterday that there was already evidence of misdirected investments in both markets—the Six and the Seven. Already firms in the market of the Six are trying to get a foothold in the market of the Seven. Advertisements like the following are appearing in the Press: 'We are seeking firms on the other side which can offer us production possibilities so that we can get into that market'.

According to reports, the United States are also trying to gain a foothold in Europe, meaning here both markets. These

short-term, stop-gap measures which are being proposed are powerless to counteract these misguided investments and the deflection of trade for which they are partly responsible. The situation can never be brought under control in this way; indeed, it seems to us that, far from helping to solve these problems, the cumulative effect of all these measures is merely to complicate matters still further.

Unless we realise this, I fear, Mr. Chairman, that we shall have to pay dearly for our lesson. I am afraid that if we are to adopt the attitude 'All are free to come and join us; no one is obliged to, but if they want to come in they must accept our conditions'—it may prove to be very costly; besides, it is quite the wrong method, as has been seen over and over again.

In the same context I should like to say a few words on the reorganisation of OEEC. We all know how strongly the United States are pressing for this. I consider it our duty—and as an Austrian I feel it is my obligation—to take this opportunity of acknowledging the great debt of gratitude we owe to America. During the foreign occupation Austria lost the equivalent of a thousand million dollars when the Russians dismantled plant and seized goods and materials, whereas America granted Austria as much in aid. It is only thanks to this blood transfusion that my country has survived these difficult times at all.

I frankly admit that I do not know what the reaction would be if, as a member of the Austrian parliament, I were to say to my constituents, in our present improved economic situation; raise taxation so that we can send economic aid to Ohio, and in a measure comparable to that granted by the Americans to Europe and to our country in particular.

I think one must honestly say that this great gesture of solidarity by the American democracy has no parallel in history.

The free world today can only exist because it provides a balance of power between America and the East. That is incontestable and must be quite obvious to all of us.

I felt that these preliminary remarks were necessary because now I want, in a few words, to express some real concern and make some serious criticisms. American policy in the last ten years has committed a series of miscalculations regarding the development of European affairs. That is not to be wondered at; America is far away. It is a country which still has tracts of undeveloped territory within its own boundaries. The process of internal "colonisation" and expansion towards the West is still incomplete there.

We all know how completely mistaken American policy was over Europe in 1918. Those who know Europe realise, I think, that Churchill had a far sounder idea of European strategy as regards the Second Front than Roosevelt had. There have recently been a series of American comments on European questions which seem to me to betray a failure to appreciate the real situation in Europe. I do not hesitate to say quite openly that the extremely biassed remarks of the United States' Secretary of State, Mr. Dillon, and his partiality for the Community of the Six were not exactly gratifying. Greater impartiality would have been preferable and better for Europe.

Only a few days ago and on quite a different occasion a prominent American personality, who does not in any way represent United States policy but who is in close touch with American political leaders—I mean the former ambassador George F. Kennan—appealed to Europeans at the Congress on Cultural Freedom in Berlin to "unite—but without Great Britain!" I repeat: he was not speaking for the United States Government. But it is rather disturbing to hear such views expressed by prominent American political figures who, in the past, were responsible for shaping American policy.

When we look at the plan of the 'four wise men' for the conversion of OEEC into OECD, the Organisation for Economic Co-operation and Development, then one thing becomes clear; an organisation set up not only to rebuild post-war Europe but also to continue co-operation after Europe's restoration is now to become an organisation whose main task will be to supply aid to

under-developed areas; this will be Europe's contribution to the already existing American aid. This is unquestionably very important, and I agree with Mr. Hallstein that it is undoubtedly our duty. But that is not the whole story.

It is a grave error of judgment and highly dangerous to demolish the existing OEEC and replace it by something completely new. If the plan were ever carried out, the new organisation would be unable to fulfil in the way we hope the task assigned to it because it would have lost its basis of European co-operation.

I therefore welcome all proposals made here in favour of maintaining the European basis of OEEC. I am also gratified at Mr. Montini's closing remarks. He said—if I understood him rightly—that the Council of Europe could be a political forum for the cause of European unification. Here we are reverting to the old idea that such bodies as the OEEC and the Council of Europe can prepare for, and give form and substance to, European unification.

It is thought in certain quarters that, since the Community of the Six is a restricted organisation, all we need to do to broaden the process of unification is to form an Atlantic Community. But we do not know when or to what extent America will participate. For the moment, America is ready to demolish but not to build. No one knows whether the plans will be ratified or will ever be carried out. It would be very rash to start demolishing before the plans for one's new house have been approved.

I do not want to take up the meeting's time with detailed considerations at this late hour. On the subject of federation a great deal might be said about methods and structure, about whether the EEC's concept of federation is adequate or whether on the other hand the EEC might be criticised as being more centralist than federative in construction. That is the main contention of the Swiss who do know a little about federation and who could teach us a thing or two about the subject. But all that is a matter to be quietly discussed elsewhere.

When opinions differ as to methods and forms, then, there must be discussion about them and, as is customary and necessary in accordance with democratic practice whether national or international, it is a question of finding formula, of seeking common ground. Disagreement over methods should not lead to a division, still less to a complete rift. The gloating of the Communist press every time there is friction between the Six and the Seven should give us something to think about, because we are supplying them with material, and because politicians in the Communist countries are realists and know exactly the next move to make.

There will be further moves in this curious policy of coexistence, "curious" because, outwardly, it does present some very peculiar features. We must remember that, as Eisenhower once put it, the alternative to coexistence is "no existence". Cold war without actual war; no world war, but discussions now heated now placid: so it will go on. My own theory of the breakdown of the Summit Conference is briefly this, that Khrushchev used this artificially-created thunder, clamour and fog as cover while he beat a hasty retreat to enforce his own coexistence policy on a radical wing in his own camp. For that reason, I expect no catastrophes, but I do think that we shall have to reckon with a Soviet trade offensive in Europe. If we have nothing better to occupy our time with than costly divisions, cleavages, misdirected investments and deflections in the flow of trade which we try in vain to counteract by short-term measures, then we are pursuing a policy which is not seriously defensible.

Mr. Hallstein concluded with some memorable words. He said he was convinced that Europe, Greater Europe, would never be divided. I would earnestly beg Mr. Hallstein to help us bridge the gap that already exists and not invite us to cross a bridge that isn't there! (*Applause.*)

Mr. Hallstein went on to say that this Europe would be more and more many-sided and full of variety. I agree with him whole-heartedly. Europe owes its immense diversity to its thousands of years of growth. But we must accept the conse-

quences of this, namely, that in a united Europe we must make room for everybody and not say: 'You have to toe the line and fall in with us'.

We must each and all of us take this Assembly's appeal to heart: we must realise that Europe's mission in the world is a cultural one: to preserve and propagate the European spirit. It must not be a narrow European spirit but one which looks out on the world and essentially one of tolerance and understanding. I would appeal to you all, and especially to our revered colleague, President Hallstein, to consider once again whether, instead of waiting till 1962, we might not start now, in a spirit of true understanding, to prepare the way for continued European unification. (*Applause.*)

The Chairman. — I call Mr. Elmgren.

Mr. Elmgren (Sweden). — Once again the members of the Consultative Assembly of the Council of Europe have the advantage of meeting their parliamentary colleagues in the Assembly of the Six to discuss problems of common European interest.

It is an action which I believe is useful to us all. For my part I certainly appreciate this opportunity to exchange views and new ideas with our friends representing the Six. I would also like to say how much I appreciate the open and generous way in which the *Rapporteur général* and the Presidents of the High Authority and of the two commissions have let us share their thoughts and their views.

If I now take up the relations of the six-Power Communities with third countries, it is not because I underestimate the importance of the first subject for our discussions, namely general European policy, but rather because I feel very deeply that this problem of the relations of the Communities with third countries is in fact a major question within the framework of a general European policy. The Assembly of the Council of Europe has been very much concerned about this problem of how to shape

and develop close relations between the new Communities and the rest of Europe. On a number of occasions we have urged our Governments to take the initiative to break the deadlock, to find new ways of getting together, since the ways which we have tried before did not seem to succeed. In my country we have had a very acute sense of the urgency of these problems. We have felt that if this new system of closer relationship now being developed in the midst of Europe could not be reconciled to older patterns of co-operation and collaboration, that might carry with it a risk that something valuable for all of us might get lost.

Perhaps we have felt that the Six have rather wanted to minimize this danger. There I can only say that I hope that the optimists are right. I think we all agree, however, that if a break in our traditional pattern should come it would be tragic.

Thus, our concern to maintain and to develop the basic achievements of European co-operation is, of course, the reason why we must keep alive the question of a long-term solution to our problems in one form or another. Since we last discussed these problems in our Assembly, some new developments have taken place. I am thinking, first of all, of the declaration of the Council of Ministers of the Six last May, in which they gave a most appreciated statement of their willingness to take up negotiations on these problems with a view to maintaining and developing the traditional trade between the Common Market and the countries of the Seven. There came, further, the statement by the Ministers of the Seven in Lisbon later in the same month, where this declaration was most warmly welcomed. Lastly, we have had the meeting of the Committee on Trade Problems in Paris and the decision which they took.

As I see it, there are in this last-mentioned decision two things of equal importance. One is that all agreed to get down to real practical negotiations on tariff problems with a view to preparing the general GATT negotiations in Geneva this autumn. We shall try to find out whether, within the proper framework of the GATT, some reciprocal tariff concessions can be agreed upon,

and whether some particularly harsh trade problems can be alleviated. Personally, I think this can be very useful. Not only are, surely, solutions to our short-term problems, particularly in the direction of a lowering of tariffs, good and healthy in themselves; but, surely also, we will through them advance a little towards a long-term, final settlement of our common problems.

However, to me the other equally important decision which was taken in Paris was that the Committee on Trade Problems should continue the discussions of the long-term aspects of the trade relations between the European Economic Community and the European Free Trade Association, with full regard, naturally, to the commercial interests of third countries and the principles and obligations of the GATT. We know that opinions have been divided on this point. We realise that today the moment may not be fully suitable to go into this problem in a concentrated way. But it is a cause for satisfaction that the principle of the thing has been accepted and we appreciate that those amongst us who saw this problem a little differently have accepted this formula. We have thus, it seems to me, arrived at a compromise solution. We have all agreed to try anew to explore what concrete measures should and could be taken but without prejudging ultimate solutions of principle. This at least is what a writer in *Le Monde* in a famous phrase called *une passerelle* that has been thrown over the gap between our two groupings.

In Sweden there is a general feeling that Europe is not large enough to permit of several limited groups. We have to have one united market, one Europe, and I emphasise that this is the general feeling in my country. I should like to say to my friend Mr. Heckscher that I should prefer to analyse this at home as a more appropriate place, for there public opinion and the Swedish Government play a leading role in this respect.

What about the European market? And of this European market, Great Britain must be a partner. It is certainly necessary as far as my country is concerned. The pattern of our commercial relations with the rest of the world is such that,

in order to develop and utilize our economy in the most rational way, we must be able to trade both with Great Britain and with the continent of Europe. The same situation undoubtedly exists for other smaller countries as well which, like us, are dependent on their foreign trade for their economic development.

It is therefore with satisfaction that we notice that, in the present calmer atmosphere, efforts can be made to find solutions between Great Britain and Europe. Because of the existence of our group of Seven, such solutions, when they come about, will automatically entail a wider framework.

We are equally aware, however, that the Six and the Seven do not represent the whole of Europe. There are other countries, vital repositories of our European tradition, that must somehow march with us. In the consolidation and development of our organisation, which is now in progress, we of the Seven are very conscious of the necessity that the aims of a wider European solution should not be lost sight of.

Mr. Chairman, time does not stand still in these matters. We in my country have followed with great admiration the tremendous developments that have taken place in the shaping of a new kind of co-operation inside the Six. While giving full credit to the Six for this, I address an urgent appeal to the Six to eschew exclusiveness, to remember the wider framework, and not to underrate the diversity in the nature, the position and the traditions of our various countries. We have to have proper respect for each other's individuality, for the contribution that each and every one of us can make to the development of a better, more prosperous and happier Europe. Only if we do this shall we succeed in making that all-European economic association which the international situation demands. Only if we do this shall we be able to shape a Europe than can play its part in the future of the world.

The Chairman. — I call Mr. Santero.

Mr. Santero (Italy). — (*I*) At the end of April I had the honour of presenting to the Consultative Assembly, on behalf of its Political Committee, a report on European Economic Relations.

In that report I tried to show that it was a mistake to exaggerate the danger of a permanent economic and political division between European countries, since the advance towards a united Europe was already irreversible; I said that it was, after all, more useful and easier to reach agreement between the representatives of the six-Power Community and the seven-Power Community than between thirteen separate nations, all jealous of their alleged sovereignty. I added that the association of the Seven was yet another proof of the determination of the European peoples and Governments to take the road towards unity.

This morning, the British Under-Secretary of State mentioned, incidentally, that same determination on the part of the Seven, thus inferring that all European peoples felt the need for unity. I concluded my report by proposing that the Consultative Assembly should concentrate its action on three points:

(1) recognition of the Common Market not merely as existing but as constituting a valuable political factor in progress towards greater European unity;

(2) encouragement of Member States of the European Free Trade Association and of the Common Market to persevere in their liberal trade policies;

(3) support for the negotiations in the Trade Committee, set up at the twenty-one-Power Conference in Paris; that the Committee should for its part take account of the functions proposed by the Council of Ministers of the European Economic Community last November for the Contact Committee.

I am pleased to find that events since April have justified us optimists and I will just mention a few dates. On 12th May, the representatives of the six Member Governments of the EEC approved the principle of speeding up the Common Market. At the same time, a letter was sent to member countries of the Free Trade Association inviting them to resume negotiations with greater energy and thoroughness, and actually proposing the Paris Trade Committee as the most suitable vehicle for the negotiations. Reference was again made to the functions of the Contact Committee, of which I have already spoken.

On 20th May in Lisbon, the Ministers of the Free Trade Association accepted the invitation of the Six and, in their final resolution, not only expressed satisfaction that the Six had shown willingness to pursue the negotiations in a spirit of friendly co-operation with the object of solving the problems posed by the existence of two groups, but also declared their readiness to make substantial sacrifices, even for a temporary solution.

On 8th and 9th June in Paris, the Trade Committee started work in a very cordial atmosphere and, *inter alia*, established a study group, some of whose functions were the same as had been proposed for the Contact Committee. This study group is to submit progress reports to the plenary Trade Committee, which will continue to seek a wider, long-term solution to the problem of trade relations between the Six and the Seven with due regard to the interests of third countries.

Then there was Mr. Profumo's address to the WEU Assembly, which was of outstanding political importance; I shall not refer to it in detail, as it has already been quoted. Finally, there was the meeting of the Ministers of Western European Union at The Hague; their final communiqué indicated that they had decided to set up a committee to study the practical problems involved in Great Britain's accession to, or association with, the Common Market.

These are all encouraging events which, as I have said, bear out the optimists and refute the gloomy prognostications of the pessimists.

From the speeches I have heard in this Assembly yesterday and today, from the declarations of political groups and from talks with colleagues in the corridors, I think I can assert that there are two main conceptions of the shortest road to unity of all Western Europe, which is what we all say we want—and I am sure we all mean it.

Some people think the Six ought to adjust themselves to the pace of those who cannot go so fast, so as to give the laggards time to rearrange their affairs and find a way of quickening their

pace. Others think the Six should speed up the process of union among themselves in order to give an example, a stimulus, to constitute something real and dynamic that will inspire the others to work for a speedier advance towards a united Europe.

I have reflected much on the pros and cons of each course. I start from the conviction that this first nucleus of continental Europe must not be regarded as an end in itself, but as a stage on the way to a wider European union. I also assume that one must have faith not only in one's own actions but also in the words and deeds of all who strive to reach the common goal. My reflections during the past day or two have strengthened my conviction that the second course is the right one. I believe that it is necessary even in the context of the Six that the section which wants to go beyond inter-State co-operation to federal union should win a decisive victory. It is only proper that anything likely to delay this progress should be discussed, certainly, but we should make sure that it is rejected.

British public opinion, the members of the British Government and members of this House have been showing a greater determination to expedite the union of free Europe, and I regard this as a political factor of the first importance. After careful reflection, however, I confess that I am not enthusiastic about Great Britain's merely acceding to Euratom and the EEC, as has been suggested in some quarters, because I believe that no delay should be tolerated in the progress of the six countries towards political as well as economic unity. I would be enthusiastic if Great Britain found it possible to join the Common Market, too. Accession to some limited arrangements only cannot be considered technically satisfactory, now that we are trying to weld the three Communities into one, and to give this single Community a good start towards becoming a United States of Europe as soon as possible, which is what we are really after. Yet anyone who whole-heartedly agrees, as I do, with the Report and the brave, far-sighted words of our distinguished Rapporteur, Gaetano Martino, should realise that we cannot propose, or even imagine, the overnight accession to the Common Market and other Communities, with equal rights and duties, of a country which would

have to commit itself suddenly, by a transition of almost revolutionary rapidity, to an association which is not only economic but avowedly political in aim.

We should indeed earnestly hope that we shall soon be joined by most of the other countries, our friends and brothers, so that they may take advantage of the Communities' ever-open door. But I think we should not simply wait for this to happen; rather should we ensure that negotiations between the two groups mainly concerned, and also with the other European countries, are promptly undertaken with a real determination to reach a practical result.

The wise course at the moment would be, it seems to me, to study the form of association that would suit all parties best. This, as was said yesterday, is primarily a political decision. Once it has been taken, the experts and specialists will—perhaps after overcoming many difficulties and after somewhat lengthy labours—find the most satisfactory and appropriate form in which to present a convention as serviceable as possible to everyone. After all, many differences are arising in connection with the association of Greece and Turkey with the Common Market; and I believe that, once the political decision has been taken by both parties, a way can be found of concluding a convention of association between the Seven and the European Economic Community.

We must not be made to wait too long for this convention of association; although I am optimistic, I fear that a long delay might discourage many worthy attempts at union. During the inevitable waiting period, the study group, that Contact Committee set up in Paris on 8th June, should try to sort out all the practical difficulties that might arise in our economic and commercial relations.

I conclude by reiterating my conviction that all those persons who really desire—and I believe them when they say they do—to arrive as soon as possible at a Community covering the whole of free Europe (all the more vital today, as every speaker has

insisted, when the world is organising by continents) must acknowledge the general rule that a start must be made some time.

But a serious, rational beginning can be made only by the six countries which are on the point of creating a single political and economic Community among themselves. That Community, which is moving towards the federal type of union so well described by the Rapporteur yesterday, must, of course, be not only conceived but also realised and pursued in full awareness of the interests of all European peoples.

If I had to give a graphic illustration of my views of the world political situation today, I should represent it by three concentric circles, each with a wide gap in its circumference. The first circle contains Europe of the Six and is wide open to the surrounding area, which is the whole of free Europe; this in turn is bounded by a circle wide open to the next surrounding area, which is the Atlantic area. But this Atlantic circle must also be open to understanding and co-operation with neutral peoples throughout the world and—subject to the necessary firmness and clear vision—to negotiations with the countries of the Communist world.

The Chairman. — I call Mr. Hagnell.

Mr. Hagnell (Sweden). — In the discussion that has taken place here during these two days many speeches have dealt with the question of the relation between the Six and the Seven. Much has been said about the liberal policy towards the outside world that the six-countries State is pursuing today and will pursue also for the future.

In this respect I should like to draw the attention of the members of the six-State parliament to some specific questions arising in the shadow of the six-State concept of liberalism, but first I want to make a statement. The six-countries State has a very favourable surplus in its balance of trade with the Seven. The previous year that trade surplus was six milliard German

marks. Thus the Six can surely afford to pursue a liberal trade policy towards the Seven.

How does the present liberalism of the Six turn out in real life? Let us turn away from words to things, from ideology to figures. For us in Scandinavia there is and has been for a long time a market in Germany for many of our products, and not only raw materials but also manufactured goods. Now we are allowed to export to Germany products from mechanical industry such as ball-bearings. The import duties are now 2 per cent. By the help of the new six-State liberalism that specific tariff will be six times higher in future. Cars could now be exported over a tariff barrier of 13 per cent. By the help of the new Six-State liberalism the figure will be almost doubled. Refrigerators now pay 4 per cent, but the tariff in future will be over 10 per cent, even if the Rome tariff is reduced by 20 per cent.

The new German protectionism must be judged against the background of an overall trade deficit in Sweden towards Germany of close on one milliard German marks per year. The increased customs tariffs will not help us to overcome that deficit. On the contrary. But customs duties are to be reduced in France and Italy. Will that help us? First, to have one market spoiled is no guarantee for success in another. Secondly, in France and Italy the German engineering industry is going to sell without tariffs and we have to pay 20 per cent to 25 per cent. The effect of these increased tariffs in Germany will not be offset by real favours in other parts of the six-State market.

In the debate yesterday Signor Machiavelli and his "*Il Principe*" was quoted. Because twenty years have passed since I read that book, I asked for it in the library of the Council of Europe, but Signor Machiavelli's book was not in our library. May I take this as evidence of the fact that Signor Machiavelli is out-of-date also in Brussels? A little less use today of his political recommendations to the Emperors of his time would help us now to reach economic and political understanding in Europe and would allow a more liberal policy for foreign trade between our countries. Is that too much to hope for?

Would it be too much to ask for the trade barriers of the Six to be lowered, by decisions now, to the actual level prevailing today in Germany? That would be more real liberalism than the protectionist development that we otherwise have to foresee.

The Chairman. — I call Mr. Metzger.

Mr. Metzger (Federal Republic of Germany). — (*G*) Mr. President, Ladies and Gentlemen, Mr. Hallstein told us in his Report yesterday that the union of our two Communities was to take place in the near future. I was pleased but somewhat astonished to hear this, for in the Committees of the European Parliamentary Assembly we have spoken often enough about this question of unification and about the unification of our three Executives in particular, but on these occasions we have always heard more objections put forward than constructive suggestions, and especially from the Executives themselves. I am consequently somewhat surprised to learn all of a sudden that the union of the Communities and of the Executives is imminent. I repeat, I should be very glad if this were really so.

But I frankly confess that the fact that the matter has been brought up at this particular moment seems to me a little suspicious. Mr. Hallstein merely hinted discreetly at it. Others, however, have spoken much more openly. Their only reason for referring to the unification of the Executives was to show that Britain's joining the two Communities was not desirable and would be prejudicial to the common weal. It is just this argument that I take exception to.

Mr. Czernetz has pointed out that the absolute and relative reasons, concerning both the present and the future, have already been discussed. It was Mr. Hallstein, as a matter of fact, who mentioned them in his speech, only he expressed them differently. He spoke of pragmatism and was of the opinion that the pragmatic reasons should take priority over the dogmatic reasons.

But I have this criticism to make of Mr. Hallstein's speech, that where it suits him he is prepared to be pragmatic, but

where it does not, he is dogmatic. When he says that Great Britain must join either the three Communities or none at all, he is being thoroughly dogmatic. I am somewhat surprised to note that this man, who has been such a staunch defender of pragmatism in the last few months, seems suddenly to have forgotten about it completely.

If Great Britain, which, naturally enough, does not want to lose face, were prepared at present to join two of the Communities, that would certainly be an example of the dynamic reaction that we hear so much about. Never have I heard the word "dynamic" so often as in Mr. Hallstein's speech. But when it comes to the point, there is mistrust of dynamism and the objection is raised that we are faced with an attitude of rigidity. The political objectives are inhibited, and our wishes, one gathers, are not likely to materialise.

It has been said that there was no intention of pursuing a policy of strength. But, in fact, this is a policy of strength, only it is slightly camouflaged: one would rather not have anything to do with a spoil-sport who refuses to fall in meekly with one's dogmatic ways.

Why should Great Britain not be allowed to join two European Organisations first of all—other countries will follow—and then we can await developments. It is evident that public opinion in Great Britain is strongly in favour of joining. This being so, why, then, say: "Everything or nothing"? Why hinder a development that might possibly lead to what everyone—and Mr. Hallstein more than anybody—regards as desirable? We should all be agreed that a division or split in Europe—call it what you will at the moment; in any case a division already exists—must be avoided at all costs. We shall certainly not avoid it by proclaiming pragmatism, on the one hand, and practising dogmatism, on the other, when it suits us, and by perhaps even hindering some development which we all want, or at least say we do. Words are all very fine—I have never heard so many fine words as in European parliamentary

gatherings—but fine words are not enough. They must be followed by noble deeds, which alone can lead to a united Europe.

The British have said that they have been offered no incentives. Incentives can promote a development psychologically. I can honestly say, however,—we are inclined to beat about the bush rather too much here, but there is no harm in a little straight talking once in a while—that I could see little sign of any incentive in Mr. Hallstein's speech. Listening to him, one got the uneasy feeling that here was a deliberate attempt to play for time until a certain situation had been allowed to develop and a relatively strong position established, from which in a few years' time perhaps negotiations might be entered into with a view to unification.

But we ask ourselves apprehensively: will it not be too late then? If, first of all, circumstances are created—pragmatically —and things are allowed to take their course, then these in turn will create permanent positions which it will later be impossible to destroy.

The question of help for under-developed areas overseas was also mentioned. Mr. Hallstein said in his speech that this assistance must not be limited to those African territories directly associated with the Community but should be extended to the greater part of the African continent.

In the German Bundestag just recently we had a big debate on this precise question. It was unanimously agreed that we were bound by moral and humane obligations to help these under-developed areas and that such help should not be confined to those territories associated with the EEC, since this association is merely a chance colonial relationship. Mr. Hallstein stated this quite clearly himself in his speech. I would ask him how he is going to manage this if Europe remains divided with each part going its own way, and no attempt is made to join forces and go the same way. But this one way can only be found through singleness of purpose and co-operation. When a country is prepared, as Great Britain is, to join two of the Commu-

nities, this move should be encouraged and not damned with the faint praise of fine words. Let the Commission and the Council of Ministers reflect on these things.

The Council of Ministers, if press reports are accurate, has just begun considering the question of what the situation regarding the associated territories will be when they gain independence. The Council of Ministers has evidently at length decided to recognise direct relations between the associated territories and the EEC, dispensing that is to say with the intermedium of the former colonising country. This is a momentous decision. Thus will confidence and a genuine partnership be established.

The same holds good for Europe too. The question is this. Do we want partnership or a so-called European nucleus? The conception of a "European nucleus" sounds somehow presumptuous and arrogant. Some will then belong to this "nucleus" but what of the others?—what are they to belong to? Do those countries which are not Members of the Europe of the Six, but whose representatives are avowed supporters of the European cause, not belong to the "European core"? There are psychological undertones here that are not much to my liking.

Let me state my opinion quite frankly: we must endeavour both in the Community of the Six, as well as outside, to reach a common understanding. When one of us is prepared to take a step, then instead of saying: 'you may not take this one step unless you are prepared to take ten,' we should say: 'very well, take the first step, the second and the third will follow in due course'.

We should have a little more confidence in one another. I have the impression that, despite all the fine-sounding speeches about Europe, it is very often confidence that is lacking.

The Chairman. — I call Mr. Selvik.

Mr. Selvik (Norway). — I am deeply impressed by the hopes and aspirations the European Economic Community has

created among the Six and I understand fully the importance of an intimate and extensive co-operation on the Continent in order to strengthen Europe as a whole, but I am not convinced that the Community as up to now outlined is the easiest and best way towards a unification of Europe.

On the contrary, I fear that the split in Europe which is a fact today will be permanent and will create serious economic and political problems that might fatally affect Western co-operation in all fields. The gradual implementation of the Treaty of Rome will profoundly affect third countries. There is no doubt about that. Developments inside the Community will have immediate external repercussions. The keen interest expressed by overseas countries during recent negotiations in GATT reflects the awareness of those countries of the trends of developments set in motion in Europe.

While fully recognising the legitimate interests of other countries, may I be permitted to make a distinction between overseas countries and the Western European countries which, for various reasons, are not Members of the Community? We here in this Assembly are all familiar with the common political and cultural heritage of the European nations. The European way of living is not, I think, a misleading way of putting it. The network of close economic and commercial relations between the Western European countries makes the notion of "One Europe" a reality.

This was the background for the fruitful co-operation between us in the OEEC and in other international organisations after the war. This was also the background for the declared wish of practically all Western European Governments to continue this co-operation in a European Free Trade Area to be built around the European Economic Community.

The negotiations for this Free Trade Area failed, for reasons we all know. In my country we do not believe, however, that the end of the free trade negotiations means the end of the road. It means a blind alley from which we may now return to the main road leading to the long-term solution of our problems.

We are convinced that the continued and deepened economic division in Europe will serve none of us any good. In the age of the atomic bomb and the intercontinental ballistic missile, as well as atomic energy and the use of automation, we cannot afford to leave our house in disorder. We are faced with the problems of the East and we are forced to re-define our relations with countries in the process of development. This is a crucial period in our history when the foundations for the future world are to be cemented. Therefore, I cannot see how we can go on any longer acquiescing in a split in Europe, which is not only unnecessary but which might have serious and dangerous repercussions.

I believe that the kind of economic integration aimed at by the Community fulfils deep aspirations inside the six nations. In my opinion, however, it should be possible to effect this far-reaching integration without creating serious obstacles for the continued and deepened co-operation with other Western European countries.

I believe that the dynamics inherent in the long-term trends of our time will make all people realise sooner or later the necessity of an integrated Europe where due regard is given to the particular problems of all concerned. Vital European interests, therefore, are reflected in the declared objective of the Members of the European Free Trade Association to:

> "facilitate the early establishment of a multilateral association for the removal of trade barriers and the promotion of closer economic co-operation"

between all Members of the OEEC. The point is now, however, whether we can achieve this before developments are too far gone, before traditional trade channels are disrupted, before vested interests are created, and before the division is too heavily felt.

The larger international political setting in which we find ourselves, as well as the internal requirements of Western Europe,

necessitate a rapid solution of our European problem. In this we shall not be misguided by failures in the past. We should look to the future, and the talks we have now initiated in Paris can only be the first stage in a continued process. We must all be willing to make sacrifices for the sake of European unity. If we are willing to do so there is, I am sure, common ground for common action. A satisfactory solution of our trade problems in Europe is a political, historical and economic necessity. I am fully aware of the task and that we shall need time in order to find a satisfactory solution. It also seems obvious that we must take up immediately the tariff and trade problems, but I warn against a wait-and-see philosophy on the long-term problems.

We have been told here now, as many times before, that the Community is open to all. That means, to all those who are willing to accept its rules It seems to me that Mr. Hallstein in his intervention more or less expected a total capitulation on the part of the Seven. This gives me an uneasy feeling that some spokesmen for the Six are inclined to consider the Seven as a sort of satellite. I would underline that this is not good philosophy for co-operation. There must be willingness to compromise if a lasting and satisfactory co-operation is to be established. This applies to the Six as well as to the Seven. I belong to a small Scandinavian country, but, together with our neighbours, we count not a little in international trade and transport. The economic life of our countries is bound to be outward-looking.

The Continent, at least Germany and the Benelux countries, should not forget that Scandinavia is one of their great markets and that it is our common interest to maintain the close commercial relations that have always existed between Scandinavia and the European mainland.

In conclusion, I wish to underline what the political Rapporteur, Mr. Smithers, said yesterday—that what we need is a new approach, a rethinking both among the Six and the Seven on ways and means to bind Europe closer together both in the

economic and the political fields. I for one must say that the concept of a confederation is more acceptable than that of a centralised union, as outlined by Mr. Hallstein and Mr. Martino.

The Chairman. — I call Mr. Loulakakis.

Mr. Loulakakis (Greece). — (*F*) Mr. Chairman, having followed with interest the debates of this joint meeting of members of the two Assemblies, I should like to express my admiration for the considerable work which the Presidents of the executive bodies of the three Communities and the Rapporteurs of the Parliamentary Assembly have accomplished and which they have described in their detailed reports.

There is no doubt that at this crucial moment for the future of Europe parliamentarians must get a clearer and broader view of the situation before embarking at home upon a positive and co-ordinated action to promote governmental efforts in the direction of a more united Europe.

I should like also to say a few words about the reports presented by the Presidents of the three executive bodies, especially as regards the problem of the Communities' relations with outside countries.

One can hardly say that serious disturbances have appeared in the traditional channels of intra-European trade since 1st January 1959 when the European Economic Community came into existence. On the contrary, exports from non-Community countries to the Six have been in some cases considerably higher. The example of the United Kingdom, whose exports to the Six rose by 19 % in 1959, speaks for itself.

This was due, obviously, to the economic expansion and favourable circumstances enjoyed by the Six. In addition, the tariffs which have been adopted to date, by both the Community and the Seven (EFTA), have warded off, at least temporarily, the ill-effects bound to appear under tariff discrimination. Consequently, the essential question that comes to our mind is to know

whether a liberal policy of the Community towards non-Community countries would be sufficient to eliminate commercial difficulties which might be encountered in the future between the Six and the Seven.

A policy following the principles of GATT would undoubtedly enable the Community to maintain normal trade relations with other countries and especially those of the Free Trade area. On this assumption, the positions of the two economic groups would remain unchanged, with the Six pursuing the gradual integration set in motion by the machinery of the Rome Treaty and the others being content with a system developing along essentially commercial lines.

There has been some talk lately of the British Government adopting a more positive attitude towards the European integration process. WEU has served as a platform to promote the idea of a gradual *rapprochement* of the United Kingdom with the European Community. But, in spite of decisions taken by the WEU Assembly on the proposals of the Rapporteur, Mr. Arthur-Conte, there is still a certain amount of mistrust on both sides as to the will and ability of the United Kingdom to establish closer structural ties with Euratom and the ECSC.

While the Minister of State for Foreign Affairs, Mr. Profumo, was stating that his Government was prepared to reconsider the proposal made to Great Britain to join Euratom and the ECSC, the attitude adopted some time later by Mr. Selwyn Lloyd at the Hague meeting of the Council of Ministers of the Seven amounted to a statement of position which leaves no room for doubt at present.

This attitude was reminiscent of the British position at the signature of the Agreement on Association between the United Kingdom and the ECSC in December 1954. At that time the then Minister of State for Foreign Affairs, Mr. Nutting, declared: "Our special position makes it impossible for us to become full members of any supranational body."

It is generally admitted that a closer association between the European Community and the United Kingdom cannot be brought about without structural changes first being made. Yet such changes are a very remote possibility now that plans for the establishment of a single executive body seem likely to mature.

Also, recent statements by the Austrian Minister, Mr. Kraïsky, confirm the view that the Austrian Government, because of the political aspects of integration, is wary of any association with the Six.

Yet a *rapprochement* between Britain and the Six seems more and more necessary when it comes to the problem of assistance to countries in the process of development. We feel that joint action by the United Kingdom and the European Economic Community is possible in that field, taking into account the order of priority of projects in relation to European countries and areas. Not only could such co-operation make assistance to under-developed countries more effective; it would probably also facilitate a closer relationship between the two economic groups. Dr. Erhard has frequently supported this view in official statements.

In his remarks of yesterday Professor Hallstein was quite clear and constructive on the subject. The terms in which he expressed himself on the possibility of a still closer relationship between the United Kingdom and the Communities should dispel any doubts on this matter. Professor Hallstein said that the Community's attitude towards the United Kingdom was in the nature of a standing invitation.

Yet we must admit that certain changes would have to be made in the institutions of our friends across the Channel before the desired links could be forged between Britain and the Community. I am referring to the changes spoken of by the Rapporteur, Mr. Martino, which we parliamentarians are called upon to promote in our own countries.

Mr. Chairman, I should not like to conclude these few remarks without acknowledging with satisfaction Professor Hallstein's explicit statement regarding the progress of negotiations for the association of Greece with the Community. The successful outcome of the negotiations which, to use Dr. Hallstein's own expression is "within reach ", should enable Greece to speed up her plans for economic development.

This extension of the Community will be also an important factor in the pursuit of its aims, which are the strengthening of peace and the cohesion of European countries. It will, moreover, give the lie to all those who express doubts as to the liberal nature of the Community's policy.

The Chairman. — I call Mr. Basile, the last speaker.

Mr. Basile (Italy). — (*I*) Mr. Chairman, Ladies and Gentlemen, I am certainly in favour of promoting trade with all countries as long as trade between European countries is promoted first. I propose to discuss only one aspect of the problem: the desirability of lower freight rates for food-stuffs and farm machinery. Increased consumption, with a consequent growing output of agricultural commodities, will mean larger imports of fertilisers and machinery, and conveniently create new jobs both in the agriculture of the less favoured countries and in the engineering industries of others. Lower freight rates will then become a necessity, since otherwise the cost of haulage from one country to another, over considerable distances, may well offset the benefit derived from the gradual removal of customs duties over the years. I feel that the European railways could well afford such a policy; any European country willing to apply lower rates would receive equivalent treatment from countries granting the same reductions on their territories. In the end the consumer would gain. It is possible to cut freight rates on railways, say, by 50 % or even more. Why not do so?

For example, Germany would grant on its territory the same discount as would be granted by other countries on their territories, with the result that transport of goods exported to other countries,

such as machinery, or imported therefrom, such as agricultural commodities, would cost 50 % less.

Lower freight rates, by bringing down prices for foodstuffs, would reduce the cost of living. This would also have the important advantage of improving the consumer's ability to buy higher grade food products. You will recall that bread consumption went down in the post-war years. Why? Well, during the last war people never quite knew what they were eating under the name of bread, for during those lean years Governments were compelled to order the addition of maize, soya, potato, chestnut, carob-bean, and other flours, to wheat flour. After the war was over, and up to five or six years ago still, nowhere had bread attained its pre-war quality, and there was a notable decline in consumption—though, fortunately, the earlier level was subsquently regained.

Leaving the subject of bread, which I mentioned as an example, I should now like to talk about vegetables and cereals the consumption of which is inadequate in most European countries despite their acknowledged health value as vitamin carriers. I wish that some European research centre on the food value of vegetables and cereals would investigate the causes of this decline and have their findings publicized by the press, radio, television and cinema as part of a campaign to promote the consumption of such products, including hard wheat *pasta*. Because of their higher standard of living, members of the formerly under-privileged classes can now afford all of these products. City dwellers would thus consume more of them, realising that, being low-cost sources of vitamins, they are among the best food one can buy.

One might add that the food distribution system is still archaic; the consumer spends too much and the producer gets too little. But this is another question with which I have no time to deal now. I would merely emphasise that it is imperative to encourage co-ordination between output and consumption and to reduce differences in consumption as between the various countries.

For example, the yearly consumption of fruit in the Netherlands is 36 kg per head, as compared with over 100 kg in Italy and Greece; yet many countries are far behind the Netherlands, where greenhouses are used to a large extent. Vegetable consumption varies from 25 kg in Switzerland to 124 in France. The reason lies partly in the poor education of the consumer as regards food values, but also in the high prices due to heavy freight costs.

Wine exports from Italy to Germany have increased; think of the great benefits to producers and consumers alike if the very high freight rates applicable to that commodity were reduced. One solution would be for the railway companies of the European States to decide on the use of trucks made of light metal such as aluminium. Hitherto goods trucks have been too heavy: waggons carrying fertilisers, sulphur, salt, fruit, vegetables or fish, or tankers for must and wine, need not be heavily built; the use of aluminium in that respect would represent a valuable contribution towards the improvement of conventional goods truck design and offer an original and profitable answer to the problem.

Aluminium, which gained recognition in the aircraft industry, where it made possible the design and construction of such giants as the Boeing Aircraft with a key-load of 137 tons, is being used increasingly in the construction of road and rail vehicles. I have seen railway carriages which, except for their frame and under-frame, were built entirely of aluminium, not to mention tyre-mounted carriages which have been used in Switzerland for the last ten years. Automatic tip-waggons for the transport of fertilizers, cold-storage waggons and trucks with sliding walls and roofs will speed up rail traffic. Aluminium combines lighter weight with greater weather resistance and greater strength, as demonstrated by the existence of aluminium couplings. All this should open the way to large-scale European co-operation between the fast growing aluminium industry and the railway companies.

After thus re-organising European rail transport, we may turn our attention to the carriage by air of flowers and early

fruit and vegetables. Why should European homes not be decorated with gardenias and jasmine which are in bloom for six months of the year? We realise that this is all planning for the future; but it is by no means a distant future. Admittedly, the question of an air freight service should be approached with caution, costing as it would millions to run, with its highly skilled staff of technicians, pilots and mechanics, but the situation as regards the production of fuels opens promising new vistas. To return to early fruit and vegetables, I wonder why there should not be room in air transport for these products. Obviously, such commodities as sulphur, salt, vegetables, hard wheat *pasta* and farm produce in general should not be carried by air. They should go by rail, where greater electrification will lower the freight rates, since electricity is cheaper than coal.

The intra-European trade deficit can be wiped out by introducing more flexibility into import and export practices through the granting of financial privileges and guarantees. Moreover, importing countries should be able to enjoy deferred payment terms over longer periods and at lower interest rates than those usually granted. Governments should mutually guarantee the payment of imported merchandise, for they are in a better position to recover debts from domestic buyers than are exporters located in distant countries. The practice whereby certain countries tend to increase their imports and cut their exports, or *vice versa* in an effort to stabilise their balance of payments, should be stopped. In newly developing countries agriculture should be promoted, since its difficulties are still further reducing the already low standard of living of nations with only a limited power of consumption, which are consequently obliged to have recourse to industrialisation. We cannot unify Europe without helping newly developing countries and that problem is connected with the establishment of a European currency. But let us make a start by reorganising European railways.

The Chairman. — Does anyone else wish to speak? . . .

The General Debate is closed.

I shall now ask Mr. Jean Rey, a member of the Commission of the European Economic Community, deputing for Professor Hallstein, who, unfortunately, has had to leave, whether he has any comment to make on the Debate at this stage.

Mr. Rey, *Member of the Commission of the European Economic Community.* — (*F*) Mr. Chairman, Ladies and Gentlemen, it is indeed unfortunate that the President of the Commission, Professor Hallstein, has had to leave this Assembly to return to Brussels to receive Mr. Frondizi, President of the Argentine Republic. He has asked me to reply to speakers at the end of this debate, but I am afraid it is now rather late for me to be able to do so in any detail.

I had prepared a condensed reply—I shall now be obliged to condense it further: I hope I shall be able to make these few remarks to the Assembly in the short time at my disposal. Let me begin by saying how interesting I have found this debate, the second part of which was, happily, quite lively.

I, certainly, do not propose to offer advice to anyone in these matters. It is not, I think, the purpose of a debate like this that the two sides should lavish advice on each other. The important thing is to find out to what extent each can contribute to a solution of the problems contronting us.

I had arranged my reply in two parts; in the first I reviewed fresh developments since the last discussions I took part in eighteen months ago; in the second I asked myself what action we can take to meet the changed circumstances.

Point One—and I am abridging my summary—what is new? First, one feels that there is a new spirit abroad, which, as a matter of fact, is noticeable everywhere, and from which we have benefited as much as we have contributed to it. Let me give you one example: I was very struck by the friendly way I was received in London on 1st June, and by the invitations I received, including one from two well-known organisations, which gave me an opportunity of speaking in the Grand Com-

mittee Room of the House of Commons. We had a most interesting debate, characterised by extreme courtesy.

Similarly, in recent weeks, we have twice received at our Headquarters in Brussels, two substantial delegations from the British Parliament, whose members told us afterwards that they found these exchanges of views extremely interesting. We shall be having further visits from other delegations from other national assemblies of the Seven in June. So I feel justified in saying that there is a much better atmosphere, a state of affairs which we very much welcome.

The second thing I notice is that we have found a common language; whereas last year, we seemed to be talking about subjects widely remote from one another, here we are now discussing the same subjects, concrete problems that are confronting each one of us.

Thirdly, I find that we are working out solutions which, though only partial, are none the less common to all. It is noteworthy that the Conference of the Twenty-One was held this month in a very friendly atmosphere; in twenty-four hours decisions were reached on proposals put forward by our Community and accepted by our partners, whereas, on the occasion of previous debates, we had the greatest difficulty in arriving at an agreement.

Fourthly, there are signs of a closer understanding between the various organisations. Here I should like to ask the President's permission to reply very briefly to an accusation directed against my President, Professor Hallstein, which I consider unjust. To be sure, he is big enough to defend himself. His address has been written out, and it is there for anyone to examine. But some members of this Assembly have attacked certain passages in his speech and, having heard certain criticisms, I confess I had difficulty in recognising the atmosphere which prevails in our Commission, where all nine of us are in complete agreement as to what should be done. It is really going too far, it seems to me, to say that what our organisation

and our President are seeking is the unconditional surrender of the other party, whether it be the Seven, the Five or any others. I find it very difficult to recognise ourselves in such a description —and I should be very grieved if it were to gain acceptance even for one moment.

We are truly placed in a difficult situation. When we say: "Our Community is open to all; Article 236 allows you to join as you please", those concerned reply—as they have every right to—that our discipline seems excessively strict and that they prefer for the present to remain together and outside. If we say:

> "You wish to stay together? Very well! Then let's try to ensure that our two groups exist peaceably side by side."

we are told:

> "That proves that you do not want unification, nor a greater Europe."

This seems to me unfair. Actually, I would be much more prepared to accept the view so subtly expressed by Professor Heckscher; what he told us was very sound. We must in fact make an effort to build a united Europe, but we are not yet entirely agreed as to how. Why is this? Let me draw a comparison. In your political life in your respective countries, for example, you all want the same thing; but, since you disagree about the means to be employed, you have formed yourselves into political parties with different programmes. Ask a Conservative, a Catholic, a Protestant, a Liberal or a Socialist, they will all tell you that they want economic expansion, liberty, social progress and a higher standard of living. But when it comes to deciding how these objectives are to be achieved, then opinions differ, and they divide into the different parties.

It is the same with Europe. We all want a united Europe, a powerful, prosperous Europe with a high standard of living, but, as always in a free and democratic régime, we find that we differ as to the means. We must try and reach agreement by

discussions on doctrine and by pragmatic approach. But, if everybody is agreed as to the objective, no one need be very surprised if we still have different opinions as to how that objective is to be reached. I am sure Mr. Heckscher was right. I do not think we should seek to create discord between our various organisations; they must respect each other for what they are.

It is very fortunate that the Seven are convinced of the need to respect the Community as it stands. We of the Six must be equally prepared to respect the small free trade area, to understand its constitution and objectives and not to seek to break it up. Anyway I am sure no one in our organisation would dream of doing so.

What might happen is that these groups will evolve. Shall we always be six and the other seven? Shall we not one day find ourselves all together in one large organisation?

There seems to me to be one good thing at least: far from closing our doors on each other we seem, on the contrary, much more inclined to open them. When the Seven say to us:

"Come in, you will have plenty of freedom here,"

we, the Six, tend to reply:

"To get things done, we think you need a somewhat more coherent organisation and a somewhat stricter system."

And we add:

"But come in with us, that's the solution. Our door is open."

To which the others retort:

"No, thank you, your framework is too narrow, and the bond between your six States is something of a straitjacket."

They add that our organisation is centralised or has centripetal tendencies. I must say I have not so far found anything

to confirm this view in the Rome Treaty. We are six countries. We have a parliament, and a voting system which seems to me to respect the rights of all of us. I do not quite see where the centralisation comes in.

If the Seven find that it is too cramped for them in the Community, then they are quite entitled to stay out of it for the time being. But the mere fact that this has been thought of and spoken of, and that speeches have alluded to gradual steps in this direction, seems to me an excellent thing in itself. There is nothing more desirable than to see, all of us, that there is no question of a closed shop, that the doors remain open. There was not a word in our President's speech yesterday to suggest that our house is not open, and I am convinced that the Seven, for their part, have the same intention.

My last point, Mr. President, concerns trade between the Community and other European countries; far from decreasing since the Treaty of Rome came into force, the volume of trade has increased. I would not like to go into the question of how far this is due to the Rome Treaty; I shall content myself with saying that, as things are now, economic expansion is a fact, and that this expansion is an economic and social phenomenon which is far more important than any rule or organisation.

Consequently, if, by the Rome Treaty, we achieve what has always been our objective, namely the creation of a large unit with an expanding economy, we shall have rendered not only ourselves but everybody else a great service. This, I think, has been proved beyond doubt.

So much for the past. (I have managed to say what I wanted to, after all, though somewhat hurriedly.) Now for the future.

I have before me a whole survey which I have no time now to present in detail. Its purpose was to compare what has been done with what we had planned to do two years ago. Remember the heated discussions we had in the Maudling Committee in

1958, and compare them with the friendly conversations we had at the meeting of the Twenty-One in Paris in June. Instead of being mere observers, as they were in 1958, Canada and the United States are on the point of becoming full members of the new organisation. Consider our discussions on tariffs. In those days people were afraid of the G list, which is relatively liberal. There was some alarm over our common foreign tariff; we have just decided to reduce it. The Council of Ministers of OEEC were wrangling over the question of quantitative restrictions till late into the night in December 1958. Now, not only has agreement been reached, but quantitative restrictions are disappearing.

Ladies and Gentlemen, two years ago no one could have hoped for such rapid progress. What conclusions are we to draw? That, two years hence, we shall again be in a very different situation from now. For that reason I shall not venture at this point to forecast what will happen in these two years; I simply do not know, when we consider how much has been achieved that we did not expect two years ago, we hesitate to make any definite plans for the future at this stage.

Many things may happen before then. Perhaps the boundaries between our various organisations will have been altered. Perhaps the group which has at last been set up in Paris, and which we had suggested for so long, will have succeeded in bringing about agreements on the more difficult of European trade problems. I, for one, am certain that a settlement will be reached. Perhaps, too, there will be a much-needed new world policy with regard to under-developed countries, which is the great problem of today.

As our problems are in such a state of flux, what can we do? Three things I think.

First, as far as possible keep the doors of our organisations open. Secondly, seek every possible opportunity—and the Conference of the Twenty-One is one of them—of settling certain problems, at all events the most urgent of them. Thirdly, try to

make a concerted effort as Europeans, for it is Europe's obligations to the outside world that are our greatest concern at the moment and not her internal problems, which are already well on the way to being solved.

Ladies and Gentlemen, at the Conference in the Majestic Hotel in Paris in January, there were twenty Governments interested in their own trade problems; but when it came to finding out how many were prepared to make an extra financial effort for the benefit of the rest of the world there were only eight.

This is worth reflecting on. And perhaps, Mr. President, at a later session of this Joint Meeting we should draw up a balance-sheet together of what Europe has done, and what by a combined effort we are capable of doing, in this fundamental task of aiding under-developed countries.

I shall say no more; time is running short. Let me sum up what I have said: where we differ is on the question of the means to be employed. When I see how our differences have diminished over the past two years and how far we have progressed towards a better understanding, I do really feel that all these talks and discussions have been useful.

If the joint session of the Consultative Assembly, to which I have twice had the honour to belong, and of our European Parliamentary Assembly, in presence of our three Executives, should have helped to set ideas moving, on both sides, towards common solutions, then Mr. President, it will have amply fulfilled its purpose.

The Chairman. — I now call on Mr. Martino, Rapporteur of the European Parliamentary Assembly, to reply to the debate.

Mr. Martino (Italy). — (*I*) Mr. Chairman, Ladies and Gentlemen, the discussion which has just taken place, by reason of the number and quality of the speakers and the noble sentiments and lofty thoughts of which their speeches have given proof, augurs well, I think, for the continued unification

of our Continent. This debate has gained much from the participation of the three Presidents of the Communities and that of the representative of the Committee of Ministers of the Council of Europe, and I am proud that it should have had as a basis the Report which I had the honour to draw up and to present to the Council of Europe on behalf of the European Parliamentary Assembly; I am grateful to those who have been kind in their jugdment of my modest endeavours.

Three years ago, at the time of the signature on the Capitol of the Rome Treaties instituting the European Economic Community and the European Atomic Energy Community, those who had faith in the future of European unity were far fewer than those who were pessimistic or indifferent. Today, it can hardly be denied that the two Communities are in the process of becoming a reality in the life of the European peoples, for they are gaining more and more approbation and are exercising an ever greater attraction on other countries, both in and outside Europe.

The authors and artisans of this grand design, the carrying out of which necessitated two years' hard work, have had the satisfaction of seeing the Community institutions brilliantly pass the test of general approval.

Mr. Mulley has very pertinently recalled that the European Economic Community is called on to assume much wider responsibilities; it will be committed to much more than the mere liberalisation of trade. The customs union is only one aspect, albeit a very important one, of the life of the Community. It must, however, be admitted that the date of 1st January 1959, when the first reductions in customs tariffs and the first increase in quotas were effected, was awaited with a certain amount of uneasiness and even with ill-concealed fears. Was the still fragile Community going to adapt itself rapidly to the new situation or was it immediately going to suffer adverse consequences on account of the inevitable, though temporary, difficulties which it provoked in the economic sphere?

These fears and preoccupations were not groundless when one considers the complexity of the fiscal systems of the six countries and the possibilites open to them to adopt internal measures which, while permissible, could not have failed to have adverse repercussions on the functioning of the whole apparatus.

But the date of 1st January 1959, as Mr. Vos pointed out, passed without any noteworthy difficulties. Reviewing the situation in September, the European Parliamentary Assembly was able to note in one of its Reports that the reduction in customs tariffs had taken place normally in the six countries.

Likewise, in spite of divergences of views and misunderstandings, the division of Europe which was to be feared by reason of the ever-growing isolation of the Europe of the Six and the need for the other countries, in their turn, to take steps to protect their interests, did not come about.

Six-Power Europe has not adopted a tight-closed protectionist policy; it has, on the contrary, confirmed its open and liberal character, as Mr. Hallstein and Mr. Malvestiti, and a little while ago Mr. Rey also, have stressed. But in the meantime the problem of a *rapprochement* between the already unified and the other parts of Europe pending a wider and more comprehensive association (a problem which has led to a debate of great interest and of a high level in this Assembly) is still quite unresolved.

It is impossible on this subject not to share some of the ideas put forward yesterday and today by many of our colleagues: Messrs. Vos, Lannung, Russell, Friedensburg, Bournias and Santero among others.

It is true that the original terms of the problems have undergone changes as a result of development in the international situation and the experience gained during these last years by the Community. In my address yesterday, I mentioned as a positive factor the liberalisation measures adopted by the Council of Ministers of the European Economic Community (the

subject of a long statement on the part of President Hallstein) in respect of the member countries of OEEC and of GATT.

I also regard as a positive factor the creation at Stockholm of the "European Free Trade Association". Lord Lansdowne is right in maintaining that the Association represents "a step forward"; for it is more than a "mere objective fact" as Mr. Czernetz called it. It proves that, even apart from theoretical plans, there are valid solutions to this problem. Their nature is of little importance. What matters is to press forward while always keeping in mind the final objective, which is the economic integration of the whole of Europe.

Mr. Mulley has expressed the fear that the rapid progress of our integration may render future accession by the United Kingdom more difficult. But they cannot ask us to slow down our pace of development; the United Kingdom and other countries which are still hesitant should rather be urged to make up their minds quickly.

Mr. Smithers told us yesterday in a well-reasoned speech which deserved all our attention, that he preferred the way of economic integration to that of direct political unification, as he considered the former to be a surer means of achieving European unity. We adopted this way at Messina although it is a round-about route: events forced this choice on us. We were convinced that it would inevitably lead us to political unity; this will assuredly be so because of the force of circumstances, whatever the opinions at present expressed by the Governments of the member countries of the Community—which are in any case not always the same.

This movement towards unity is becoming more rapid and more irresistible every day as economic integration progresses. In evaluating the range of this economic evolution, we do not lose sight of the motives underlying our choice. We do not forget that the Common Market is not an invention of businessmen with commercial aims in view. To be sure, it is an institution of an economic nature, but it was conceived by

politicians and is directed towards political ends. Economics is the means, the instrument with which to achieve the political aim, which is the federation of the United States of Europe.

In considering the problem in its purely political aspect, the six Common Market countries should have less difficulty in finding a solution for building this "bridge" between the Common Market and the rest of Europe which is being called for with insistence on all sides.

I said in introducing my report that the three economic Communities of the six countries of Little Europe, laboriously set up in the post-war period, do not constitute a point of arrival; they are the starting-point towards a wider union of the European peoples. That is why the search for a means of maintaining, even at the cost of heavy sacrifices, a link with the European countries which are outside the Common Market is a fundamental necessity for our Community. No sacrifice is too great if it can contribute to the establishment or maintenance of such a link. There is, however, one essential condition, that the political motives which led us to create the instruments of economic association be kept in mind.

I do not think Mr. Selvik is right in maintaining that the policy of the Community leads to the division of Europe. The Executive of the European Economic Community has fully realised this danger and the responsibility devolving on it. The proof of this, as its President pointed out yesterday, is that it has sought to minimise by tariff reductions and quota increases the disadvantages which the customs union of the countries of Little Europe and the institution of their common external tariff were likely to create for third countries on the European market.

Furthermore, only recently, when the Commission decided to propose to the Governments of the six Community countries that the stages for the transitional period be shortened, it proposed at the same time that the common external tariff be lowered by 20 per cent.

This more rapid phasing of the establishment of the Common Market, which was decided on last month by the Council of Ministers, has aggravated—it would be useless to deny it—the concern of certain countries, and the echoes of this have reached us here through the speeches of some of our colleagues, Mr. Heckscher for example.

These preoccupations must give way to the ideal of unity which must inspire our policy. Speeches are not enough—as Mr. Metzger rightly said: what is needed is action, that is to say measures designed to bring nearer to the Community the countries of Europe that are outside it, to overcome divergences and to promote understanding.

The solution at world level envisaged by the Commission of the European Economic Community does not suffice, despite its obvious liberality, to solve the problem. The problem, I repeat, remains primarily a political problem in spite of its clearly economic aspects. The rest of Europe must be joined to the Community. A solution at world level will not achieve this. Indeed, it is necessary to adopt different means and forms of economic co-operation for the countries of Europe and the rest of the world. On this point I entirely agree with the view expressed yesterday by Mr. Vos and repeated today with other arguments by Mr. Russell.

Is it possible to envisage these different means and forms of co-operation? I think it is. One might consider, for instance, the creation of a "Greater Europe preference area". Inside this area economic and trade relations would correspond to those existing between Great Britain and Canada or Australia, whereas inside the Community they would be similar to those existing between Scootland and England.

Whatever the solution, it is always the political aim we must strive for.

Bearing this aim in mind, we can look with favour on the prospect of the United Kingdom now simply joining the ECSC

and Euratom, inasmuch as, with that objective before us, strictly economic considerations forfeit all their value.

I am happy that the President of the Commission of the European Economic Community should have expressed his agreement on this point in such a clear and explicit manner. This does not, of course, do away with the concern nor the fears expressed by Mr. Smithers in regard to the possible attitude of the member countries of the Community.

We have followed and continue to follow with sincere satisfaction the favourable trend in British public opinion, which has been stressed and commented on at length by many speakers. Mr. Hallstein rightly recalled that the Rome Treaties allow accession by all those who are prepared to accept the rules, and one can truly say that they constitute a standing invitation. For my part, then, I agree with Mr. Smithers that we should extend another express invitation to the United Kingdom and the other European countries, precisely because of this remarkable change in public opinion of which rather encouraging signs have appeared not only in Great Britain but also in Switzerland and elsewhere.

I have already had the occasion of putting forward my ideas on this subject—about a month ago in an article published by a leading paper in my country and which I in fact entitled " Renewing the Invitation".

We must dispel all preoccupations, hesitations and fears as to the reception likely to be given by the countries of "Little Europe" to any request for accession to the Common Market, the ECSC or Euratom. It must be made known to all in the clearest possible way that their accession will be welcomed, that it is indeed desired by all the countries of the Community.

It would be less easy—let us say so frankly—to get the principle of provisional association accepted,—that is to say a trial period which would precede final outright accession, as, I believe, Mr. Mulley suggested. Trial periods of this kind are not allowed

in marriage; they cannot, for practical reasons, be allowed in a union between States.

Ladies and Gentlemen, it is perhaps superfluous for me to emphasise once again what has been said and repeated here and elsewhere, by myself and others, about the impossibility of distinguishing, as far as the European Communities are concerned, the economic aspects from the political aspects. The Communities have taken their place as political communities or, if you like, as economico-political communities, in the process of European unification which started after the end of the second world war and which has, for the first time in history, begun to give substance to the idea of European unification in the shape of political institutions.

Once this fundamental idea is accepted, it becomes possible, of course, to make a distinction between the Community activities which are of an economic and social and those which are of an essentially political character.

The activities concerned with the European University and with perfecting the institutional machinery of the Community fall into the latter category.

It is no exaggeration to say that the European University is one of the finest products of the Communities. I have already pointed out that it was not so much conceived as an instrument for scientific and cultural progress but rather as a beacon to attract Europe's intellectual youth, whose aspirations are not yet very definite and who are in search of an ideal.

Mr. Hirsch yesterday added a great deal of information to my own statement, thus giving the Assembly a comprehensive view of this matter. He said, in particular, in reply to Mr. Kraft, that the European University was not intended as an instrument of scientific and cultural co-operation limited to the six countries of the Community but that it was meant to be open to all European States and organisations. There is no doubt that in this sphere an effort of solidarity is required of all in order that our Con-

tinent may be in a position to make the best use of its cultural resources.

Mr. Kraft spoke particularly of co-operation as the way to scientific progress. I myself belong, by profession, to the world of science, and can only approve his line of argument and share his views.

President Hirsch also brought up the question of founding European secondary schools and institutes which will play an auxiliary rôle to the University in cultivating a European outlook. No doubt such schemes will develop and expand in accordance with the wish expressed by Mr. Montini in his very interesting speech.

The action undertaken with a view to consolidating, developing and co-ordinating the Community institutions calls for special mention.

The complexity of the institutional structure of the Community is such as to make it difficult to find appropriate solutions. The fact that the three Communities were set up at different times has inevitably led—and this has often been stressed—to a division of powers, with all the drawbacks which this entails. President Hallstein recalled that an attempt was made to remedy the situation, at least partially, at the time of drawing up the Rome Treaties by providing for a single Assembly and a single Court of Justice for the Three Communities. Today opinions are divided as to the advisability of taking immediate and radical steps to endow the Community institutions with a firmer structure and more autonomy—thus providing them with greater scope for action.

It has been very justly pointed out that "the struggle against routine is one of the principal elements of European activity". I believe this struggle will be more vigorous and more decisive and that the Community will be able to act more boldly and effectively when the European Parliamentary Assembly is elected

by direct universal suffrage. Senator Battaglia has just dealt with these points, and I shall not dwell on them.

The impressive ceremony which a few days ago in Brussels marked the presentation by the delegation of the Assembly to the Councils of Ministers of the three Communities of the draft Convention prepared by the Working Party and adopted by the Assembly was fully justified and has a profound significance.

It is indeed essential, as the Report pointed out, that the peoples of Europe consciously take part in the process of unification to ensure the success of our undertaking. The election of the Assembly by direct universal suffrage will therefore constitute an important stage in the progress towards European unification. In this matter one can but endorse the views expressed today by Mr. Duynstee.

Mr. Lannung stressed in his brilliant speech yesterday that it is precisely in order to make progress towards European unity that co-operation between the European Parliamentary Assembly and the Council of Europe is most necessary. It is one of the means of maintaining contact with the European countries which as yet stand aside from this process of integration.

The ideas and concrete proposals put forward by Mr. Lannung in regard to possible initiatives of a legal nature on the part of the two Assemblies can only meet with general approval.

I have already pointed out and I repeat that Little Europe, which has begun its economic integration as a prelude to political unification is, and only aims to be, the primary nucleus of a wider union of peoples. The final objective is the unification of Greater Europe, the only lasting defence against the dangers which threaten not only our external security but the internal life of our Continent itself. It is the freedom of Europe which is threatened. It is the freedom of Europe which, in order to survive, must seek refuge in an organisated union of what remains of the old Continent.

It is only through this unity that Europe will be able definitely to ensure its own security. With perhaps certain differences of emphasis, one can only share the views expressed on this subject by Mr. Battaglia and Mr. Smithers. This does not mean, however—it must be clearly stated—that we reject the idea of Atlantic solidarity.

A tree is judged by its fruits and the fruits of this tree which is the Atlantic Pact and which was planted at a stormy period in the world's history are the conquest of peace and successful defence, by peaceful means, of the free countries of Europe. It is behind the bulwark of the North Atlantic Treaty that it has been possible to reconstruct Europe and to begin and continue the process of unification.

Obviously, Europe cannot continue indefinitely to depend for its defence on the presence of American troops on its soil. If this were the case, the fate of our democracy would irrevocably be sealed, for the idea of an indefinite prolongation of the present situation is inconceivable. European democracy must finally seek salvation through its own strength and not through external support.

The Atlantic alliance is a rampart, and it is behind this rampart that European unification must advance in freedom, for that is the only way to stability and security.

Europe must come into being as an economic, social and political unit in order that the free countries of our Continent may finally be preserved from the dangers which threaten them. Only in this way can the highest qualities, which for thousands of years have found their expresion in the creative effort of the peoples of Europe, be preserved in their entirety and with all their promise for the future.

Mr. Chairman, Ladies and Gentlemen, we have often heard it said that in the present phase of history the victor will be he who believes most firmly in his own cause. That is true. It is the faith in the cause of European civilisation which invigorates

the movement towards political unification. The more we are conscious of the spiritual strength of our common civilisation and of our social and political aim, the more shall we be desirous and at the same time capable of uniting our forces across the frontiers to form this higher union which we need in order to survive and to prosper.

May this faith become even stronger and stimulate and increase the strength of our peoples so as to render them capable of accomplishing the efforts and accepting the sacrifices necessary to create one great united Europe, destined to become a dynamic part of a world where greater security and harmony will reign! (*Loud applause.*)

Concluding remarks by the Chairman

The Chairman. — This brings our work to an end, but I am sure you would not want to disperse without the members of both Assemblies expressing their gratitude to those who have laid the foundation of this debate. I refer to the three Executives of the European organisations and, in particular, to the Rapporteur of the European Parliamentary Assembly, Mr. Martino, whose Report and speech will stand as one of the documents to which one will return when the history of this age comes to be written.

No doubt, some of us had our doubts whether a debate between the Members of the two Assemblies would continue to be a useful procedure. I think that those doubts have been dispelled and that the exchange of views which has taken between people who have the same aims but in their daily parliamentary work base their thinking on two different philosophies has been extremely useful.

I have been listening very carefully for a phrase which is often heard in political debates, namely that of building a bridge between the two divided parts of Europe. I have heard that phrase only once, I think, in the debate, and I think that is a happy portent. The building of a bridge over a gap means that

you leave the gap. This gap must be filled and not bridged, even by a wide bridge.

I think this debate has brought out a great deal of reality. I should like to recall the words of Mr. Jean Rey at the end of his intervention this afternoon where he once again made it clear that that which divides us—and we are divided by the mere fact that we are two Assemblies meeting here—is not that we disagree about the aims but that we disagree about the means to achieve these aims. Surely that is a challenge of the age to our powers of reasoning.

3. *Closure of the Joint Meeting*

The Chairman. — With those words, I declare the Seventh Joint Meeting of the members of the European Parliamentary Assembly and of the members of the Consultative Assembly of the Council of Europe closed.

The Sitting is closed.

(The Sitting was closed at 2.55 p.m.)

Printed in Belgium