EIGHTH JOINT MEETING

of the Members of

THE CONSULTATIVE ASSEMBLY
OF THE COUNCIL OF EUROPE

and the Members of

THE EUROPEAN PARLIAMENTARY ASSEMBLY

OFFICIAL REPORT OF DEBATES

(STRASBOURG - 19TH AND 20TH SEPTEMBER 1961)

SUMMARY

Sitting of Tuesday, 19th September 1961

Mr. Hans FURLER, President of the European Parliamentary Assembly, in the Chair

Sitting of Wednesday, 20th September 1961

Mr. FEDERSPIEL, President of the Consultative Assembly, in the Chair

FIRST SITTING

TUESDAY, 19th SEPTEMBER 1961

IN THE CHAIR: Mr. HANS FURLER

President of the European Parliamentary Assembly

The Sitting was opened at 4.5 p.m.

The Chairman (Translation). — The Sitting is open.

1. *Opening of the Joint Meeting*

The Chairman (Translation). — I declare open the Eighth Joint Meeting between the members of the Consultative Assembly of the Council of Europe and the members of the European Parliamentary Assembly.

2. *Address by the Chairman*

The Chairman, *President of the European Parliamentary Assembly* (Translation). — It is a great honour for me to open this Eighth Joint Meeting. Our hearts are anxious when we contemplate the storm-clouds which cast their shadows upon our world. I said to the European Parliamentary Assembly yesterday that Berlin is for us the symbol of free Europe, and I am sure that I

can also speak for you all today when I say that we are associated with that city by indissoluble bonds of sympathy.

But, if we have much cause for anxiety, we also have much cause for satisfaction that the nations of Europe have in recent months drawn closer together. The decision of Great Britain, accompanied by Denmark and Ireland, to seek membership of the EEC, and the evident readiness of the other countries to look for a new form of co-operation with the Communities, are ideally calculated to resolve the controversy which has occupied us for some years past. I say "ideally calculated" advisedly, because the formula now chosen is just what Europeans in all countries have been working towards from the beginning. Being also a member of the Consultative Assembly, I can point to the consistent attitude that it has maintained on this question over the years. Since the disappointment of the Consultative Assembly hopes of setting up a "political authority with limited functions but real powers", it has supported all endeavours of this kind emanating from the six continental European States. It was always convinced that the pioneer work done by these States would make it possible for those which still remained outside to come in later: that in the course of the years, the other countries would join the European nucleus in process of formation. The road is now open for this development.

Our meeting today and tomorrow thus bears a special character. Previous meetings have served to give Representatives from lands outside the Community some insight into our structure, our working methods and our problems, and at the same time to ensure consideration for the interests of non-member countries during the period of co-existence. This year's meeting has the special task of advancing the preparations for union. First of all, the psychological reservations and the sentiment of rivalry, which characterised the latest phase of the relations between EEC and EFTA, must be dissipated.

We may, I think, best start our discussions by stating what we have in common: on the one hand, the will to European unity; on the other, the principle, proclaimed at The Hague

Congress in 1948 and put into practice by the Communities, that traditional conceptions of international co-operation are no longer adequate, and that new forms of arrangement under a supranational banner are required. Setting out from this common ground, the negotiations—which will certainly be arduous—will have a successful issue. The composing of differences to protect legitimate interests is always possible, provided that the momentum of the integration process—which we owe to the success of the Communities—is fully maintained without restriction or intermission. This condition is in the interests of us all. That momentum alone will enable new members or associate partners to derive the same benefits as their predecessors from the integration process. The political requirement points the same way: the unification of Europe under a new banner is the great achievement which, in the controversy with Communism, gives our peoples new strength and confidence in the superiority of our way of life.

Last year I concluded my opening remarks by asserting that we were justified in being optimistic. Developments in Europe have confirmed this. Impelled by an inner force, we are definitely on the move towards a new Europe. It is now up to us to expedite the evolutionary process by our frank, illuminating and constructive discussions.

3. *Tribute to the memory of Mr. Dag Hammarskjöld*

The Chairman (Translation). — Ladies and Gentlemen, I should like now, on behalf of you all (*Representatives rose to their feet*) to pay tribute to the man who lost his life yesterday in such tragic circumstances: the Secretary-General of the United Nations, Dag Hammarskjöld. Many of us remember him from his visits to Strasbourg as representative of the Swedish Foreign Minister.

Even those who did not know him personally must have honoured him for his courage and integrity. He was an international official in the best sense, a man who spent himself for the good of his Organisation as a whole—who never placed the

interests of the Powers above considerations of justice. He fought bravely and tenaciously for a better world order and for peace—the ultimate and highest weal. His sudden death has deprived the United Nations, one of the few factors making for order in this tormented world, of the man at the helm. Anxiety for the future of that institution mingles with sorrow at our loss.

In the name of the members of the Consultative Assembly and the European Parliamentary Assembly, I am anxious to convey our profound sympathy to the Swedish people and to the United Nations.

Thank you for rising from your seats.

I now call Mr. Heckscher.

Mr. Heckscher (*Sweden*). — On behalf of the Swedish Delegation, Mr. Chairman, I thank you for what you have said about Mr. Dag Hammarskjöld. He was, of course, acting in his capacity not as a Swede or as a European but, as you have rightly said, as an international civil servant. He lost his life in the service of a great international organisation which he was trying to preserve in the face of difficulties, difficulties which grow out of the difficulties of this world. He was, however, also a great European, and we of the Swedish delegation were happy to see in him someone who, coming from our country, worked in a larger environment and did his duty in a way which we shall all have reason to admire, whether we be Swedes, Europeans or belong to other member countries of the United Nations.

The Chairman (Translation). — Thank you most sincerely for your words of remembrance.

4. *Programme*

The Chairman (Translation). — I would remind you that the Agenda for this Joint Meeting is as previously settled.

The Orders of the Day for this afternoon are:

— Introduction of the Report on the activities of the European Parliamentary Assembly from 1st March 1960 to 1st May 1961 —the Rapporteur is Mr. Kapteyn;

— Statement by Mr. Junot, Rapporteur of the Consultative Assembly of the Council of Europe;

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

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

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

Tomorrow morning at 11 o'clock we shall have the exchange of views between members of the Consultative Assembly and members of the European Parliamentary Assembly, which will continue in the afternoon and evening. The Chairman of the Committee of Ministers of the Council of Europe will also address the meeting, and Mr. Kapteyn may reply to the whole debate.

I would ask Representatives who wish to speak in the discussion on Mr. Kapteyn's report to put their names down on the list in Room A 68 before the end of this afternoon's Sitting. This is important so that the debate can be planned accordingly.

5. *Activities of the European Parliamentary Assembly*

The Chairman (Translation). — We shall begin with the first Order of the Day.

I call on Mr. Kapteyn, as Rapporteur of the European Parliamentary Assembly, to introduce his report on the activities of the European Parliamentary Assembly from 1st March 1960 to 1st May 1961.

Mr. Kapteyn (*Netherlands*) (Translation). — I should be lacking in modesty if I were to assume that all members present had read the report which I had the honour to prepare on behalf of the European Parliamentary Assembly and the Consultative Assembly of the Council of Europe. But it would certainly be still more presumptuous to suppose that I could trespass on their patience by simply reading it out.

With your permission, Mr. Chairman, I shall concentrate on a small part of my report which deals with a subject that seems to me most important and very topical: I mean the relations of the European Economic Community with Great Britain and certain other countries.

Before getting on to my main theme I will just mention —although this perhaps falls outside the scope of the report— that the European Parliamentary Assembly approved the Association agreement with Greece this morning.

I think that the fact is of importance because it shows the Community in a particular light. For the Association agreement has not been concluded in order that we should immediately reap some commercial advantage. On the contrary, it manifests an intention to come to the help of a European country which is struggling with a difficult economic situation.

In the belief that it may be especially useful to clarify EEC's attitude to Great Britain, let me recall that on page 12 of the Report [1] there is an explanation of the importance attached by the European Parliamentary Assembly to Great Britain's entry into the Community. I have said there that it is desirable to come to an understanding in order to avoid any cleavage in Europe, which would possibly have very serious consequences not only for our own Continent but also for Africa.

The British Government have now initiated negotiations, and an initial debate has been held in the British Parliament.

[1] Consultative Assembly Document 1317.

My reading on this subject shows me that there are still many misunderstandings over the contents of the Treaty. I do not know the position in Denmark and Ireland but I think I ought to try to give a few words of explanation here. It is not in the least surprising that so many reservations should be expressed and so many difficulties detected. Let us think back to the situation in member countries before the EEC Treaty was concluded! We had the same kind of experience then.

Last Saturday Mr. Peyrefitte reminded us again, speaking at a meeting of the Interparliamentary Union, that a large part of French industry had been strongly opposed to the establishment of EEC. Yet a few years later those very same French industrial circles were urging that the process should be speeded up as soon as possible. It is obvious that a treaty of this kind, which contains so many imponderables, should arouse some stubborn resistance.

I do not think the decision was an easy one either for the British Government or for its Parliament. After all, Great Britain has a long tradition of splendid isolation. Furthermore, every Englishman has—if I may put it like that—an inborn suspicion of foreigners. A foreigner is someone who is best kept at a distance. The idea that he might himself be a foreigner is intolerable to an Englishman.

I remember that a few years ago this peculiarity was strikingly illustrated in the Netherlands—at the Hook of Holland, which is one of our gateways towards England. In order to help the many travellers who were crossing the Channel to return to England, the Netherlands Government ordered signs to be placed on two doors; on them was written in English: "Foreigners to the left, right door for Dutchmen only."

It was observed that all the British travellers examined the notices very carefully and that, after a moment's thought, seven out of ten went through the door reserved for Dutch travellers. 'Better be Dutch than foreign.'

We must allow for the fact that the evolution of the legal, administrative and political systems of Great Britain has been completely different from the way things have developed here on the Continent, even though there were only the narrow waters of the Channel between.

This isolation has been breached twice, in 1914 and in 1939. Great Britain then sacrificed hundreds of thousands of her best sons to save our freedom.

So I was rather surprised when I read in the report of the sitting of the British Parliament that a new Disraeli had risen in the House to declare that the affairs of Europe could be influenced more effectively by Britain keeping out of EEC. I think, indeed, that after the experiences of our century reality wears a somewhat different aspect. It cannot be repeated too often that, politically, Great Britain is now linked more closely with the Continent than she has ever been before.

Think of the Brussels Treaty, NATO and WEU. In the past it often happened that defence treaties, however admirable the intention and however much good will there was, depended on economic conditions to enable the signatory countries to honour their undertakings. And we have not seldom seen that, where the right economic conditions were lacking, the best treaties broke down in bad times.

That is the reason why the foundation of our European collaboration—the idea is stated in the Treaty instituting ECSC—consists in eliminating historic rivalries. And the basis of the Treaty establishing EEC is, in the last analysis, political, although it relates to an economic Community.

We sought to get rid once and for all of those rivalries in order to secure lasting peace in Western Europe. I have already said that the British Government are not going to take the plunge with their eyes shut, but I cannot escape the impression that many of the objections which have been made rest on a misunderstanding. I hope by my modest efforts to help make

things clear; but, if there are still questions unanswered, I should be happy if my colleagues better qualified than I am would add to my remarks.

One thing which struck me is that some members of the British Parliament rejected the idea of accession on economic grounds and advocated association instead. I am unable to follow this, for association would undoubtedly elicit the same objections. In the event of association, there would be no place at all for British influence on the economic policy of the Continent: that is a fact which must be grasped.

Again, it seems essential to point out that a country which becomes a Member of EEC, obviously, obtains the same rights as the States which already belong, because it must, of course, assume the same obligations.

The question was asked in the British Parliament whether it would be possible for a French Minister together with a Minister from Benelux to veto a decision and whether Great Britain would be able to do the same, for example by arrangement with Denmark. There is no doubt that the rights possessed by the present Member States will also hold good for new Member States. We cannot imagine it being otherwise.

After these rather general observations, I now come on to a number of specific points.

First, the question of EFTA. If you re-read carefully the debates of the European Parliamentary Assembly, you will observe that it has also considered this matter and is fully aware that a number of problems are bound to arise. The EFTA States are not all in the same position. It is evident that a major country like Britain is free to decide quite independently which political commitments she intends to assume and which to avoid. But some of the EFTA countries are in a particularly difficult position in that respect. It seems to me that the discussions in the European Parliamentary Assembly have made it clear that due account must be taken of this. In this con-

nection I may perhaps recall that some years ago the European Coal and Steel Community concluded agreements relating to transport with Switzerland and Austria and that the Common Assembly repeatedly proclaimed the importance of paying attention to neighbouring countries and their interests.

With regard to agriculture—I must confess that one of my many failings is that I understand nothing whatever about agriculture—I am informed that the investigations of the British experts have shown that agriculture in their country has no cause for alarm.

The system of support may, of course, have to be modified because it is completely different from that applied on the Continent. On the other hand, it must not be supposed that the agricultural policy which will be pursued in the Community is a kind of sum of the agricultural policies hitherto followed by the six member States. Substantial changes will be entailed for the Continental countries, too. They will in fact be in the same boat with Great Britain.

In any event, I have been told that British agriculture is the most highly mechanised in Europe. So I shall say with Shakespeare: "A soldier and afeard?" What is there to be afraid of?

My next subject is the free movement of capital.

I can appreciate that, in Great Britain's present situation, it is felt that complete freedom of capital movements cannot be authorised overnight. That is perfectly reasonable. But the Treaty does not require Members to go over to the new system all at once. On the other hand, it is wrong to interpret the Treaty in the light of the temporary situation in Great Britain; in any case, we must presume that that country has sufficient resilience to get over the present difficulties. Let us not forget, moreover, that once it is clear that a situation is to be regarded as merely transitory and not as permanent, freedom of capital movements, so far as the first two stages of four years are concerned, depends on unanimity in the Council of Ministers. It

therefore seems to me that these two stages offer a fully adequate respite.

But—so it has been said—it might happen that the British Government took certain measures and the EEC Commission demanded that they be banned, withdrawn or amended. Well, that could indeed be the case at the end of the first two stages, when the unanimity rule will no longer apply. The Treaty states explicitly that, if a country is in difficulty, in other words when capital movements are causing danger, it may be authorised to take certain measures. Only if a country takes such measures without requesting authorisation can the Commission say that it must abolish or modify them: and even then the Commission must first consult the Monetary Committee, on which two representatives of the country concerned have seats.

Does anyone seriously believe that a Commission like ours is going to do it without good reason? Does anyone really think that the Commission of EEC would frivolously tell a country to withdraw its measures if this would lead to grave difficulties? It can only do so if the measures are discriminatory and are unrelated to the true situation. I am positive that, in case of absolute necessity and if there is no other way of getting out of trouble, there is no question of the EEC Commission's imposing such a ban.

It has also been said—if I am to believe what I have read in certain publications—that the EEC Treaty might prevent trade with the Eastern *bloc* and China. To make doubly sure I went through the Treaty once more, and I must say that I did not find the slightest hint of any provision which would justify this assertion. So there is really nothing in that.

I now come to the question of the movement of manpower. Here again there are misunderstandings.

According to what I have read, it has been asserted that Commonwealth immigration into England could not take place without authority from the EEC Commission. That is abso-

lutely untrue. The migration of nationals is not subject to any control by the Commission.

When it is a question of holding a job, the nationals of the country concerned have priority; then comes the turn of the nationals of the other Community countries. What one can say is that the system, as laid down, of course, specifies certain conditions under which nationals of a country cannot be dismissed from their post. Consequently, the Treaty involves no threat to the British on this point either.

Yet another observation has been made, namely that if a Labour Government ever returned to power the Treaty would prevent any progress in nationalisation.

But the Treaty contains no clause capable of hindering further nationalisation. What is actually found in the Treaty is all to the advantage of Great Britain. The fact is that there is considerably more nationalisation being done in France and Italy than in Britain. True, the Treaty contains provisions, in connection with the rules of competition, which prohibit nationalised concerns from practising discrimination, such as would, of course, be incompatible with the Treaty establishing the Community. That is all there is in the Treaty on this matter.

When private enterprises are forbidden to engage in discriminatory practices, one is bound to extend the same prohibition to State concerns.

It is quite understandable—and this brings me to one of the thorniest problems of all—that the Commonwealth has also received special attention. Our impression is that some people fear that accession to EEC would necessitate Britain severing her ties with the Commonwealth.

It has emerged consistently from the debates of the European Parliamentary Assembly that nobody wants this to happen. It has always been urged that, if the United Kingdom enters the Community, certain protocols should, of course, be drawn up

for the Commonwealth as well in order to meet the difficulties involved. It would not be in the interests of Europe to break these ties, and it would certainly not be in the interests of world peace. The European Parliamentary Assembly has thus always insisted on the importance of finding a solution to this problem.

It may be permissible to regret that the Commonwealth cannot in fact grow into a great economic community. But it must not be forgotten that those regions will become steadily more industrialised. As things are, we find, for example, that the value of Canadian exports to the United Kingdom is between £ 200 and £ 250 million greater than that of Canadian imports from the United Kingdom. That is a development which is only in its early stages.

The Commonwealth market is enormous and has no parallel anywhere. On the other hand, the purchasing power of the Commonwealth is not yet sufficient to open the door to the latest industrial developments in the fields of petroleum chemistry, plastics and automation, as is made possible by the markets of EEC. A purchasing power comparable to that of EEC is essential to the industrial development of large countries.

I do not think Great Britain will be able single-handed to furnish all the huge investments needed by the Commonwealth countries. Indeed, the United States is already providing very substantial financial aid.

Nor can Great Britain solve the African problem alone, any more than the Community can. That is a task we can only carry out in common; it requires a combined effort by the whole of Europe.

As I have said, the Parliamentary Assembly wants to see a solution to the problems of the Commonwealth. But I must put in a word of caution here. I have the impression that our European Parliamentary Assembly is firmly opposed to any concession that would jeopardise the agricultural policy of the

Community. A solution is desired which will enable the Community's expansion to proceed according to plan as laid down in the Treaty; that is a *sine qua non* for all accessions.

Much attention has inevitably been devoted to the question of co-operation on a federal basis. There is an evident fear in some quarters that Great Britain may be asked to declare her willingness to join a federation. If I am not mistaken, however, the sentiment of the great majority of the members of the European Parliamentary Assembly is precisely to regret that no such request is contemplated.

We all know that the French Government do not want collaboration on federal lines. I must say, on this point, that I am not convinced myself that all the Governments which gallantly break a lance for federal co-operation and the supranational idea always take this aspiration seriously. I sometimes doubt it and I think with reason.

Since 1960, *i.e.* since his press conference in September of that year, General de Gaulle has been on record with the view that we must have a united Europe, and that the said united Europe must have bodies to which sovereign rights are delegated; in other words, there must be no transfer of sovereignty, no renunciation of sovereignty, but merely delegation of sovereignty to a particular body.

Our British friends have no cause for the slightest anxiety on this point and, although I am a confessed federalist, I am not in the least disturbed at the thought of a currently anti-federalist Great Britain becoming a Member of the European Community.

The English are addicted to cold reason. They are not carried away by all kinds of problems but examine them dispassionately. British policy is pragmatic. When they thought that EEC would be a failure and that no good would come out of it, they refused to stake on that card. Now that it is clear that EEC has succeeded and is going to succeed still more, now that

they are witnessing the efflorescence of EEC, we find them saying quite coolly and reasonably: "If it's like that, we want to join EEC."

Similarly, I am convinced that when the time comes for the Community to federate under the pressure of events, our British friends will then say, again quite coolly: "We are now prepared to go into a federation with you."

After all, our federalists are in good company. I may remind you of an amendment tabled long ago in the Consultative Assembly of the Council of Europe. It concerned the political structure of Europe and said that there must be a Committee of Ministers, an executive authority—listen carefully—with supra-national powers.

> "This Committee"—said the amendment—"shall have its own permanent Secretariat with European officials."

Now that amendment was tabled in 1949 by Mr. Harold Macmillan, then a member of the Consultative Assembly of the Council of Europe, now British Prime Minister. That gives me hope for the future.

In connection with this federation, there was, of course, much talk of sovereignty. It is obvious that any country which wants to join EEC must remember that, in the words of the proverb, you cannot make an omelette without breaking eggs. It is impossible to federate without touching sovereignty. But I would ask you to consider one fact: those who sometimes campaign so vehemently for governmental and parliamentary sovereignty are really juggling with an empty egg-shell.

Let me give an example. Do you believe that a parliament which enjoys complete freedom of action and decision could now pass a bill establishing a 36-hour week, when people are working a 48-hour week everywhere else in the world? On this matter, the sovereignty of a parliament is limited. The nations have become so interdependent that, even without being

tied by agreements, the Governments are restricted in the exercise of their sovereignty.

This is still more true in the case of many conventions. Can it be denied that the existence of the United Nations, of NATO or of Western European Union limits sovereignty? Yet there is no sphere in which Governments and Parliaments are so jealous of their freedom of action and decision, in a word their sovereignty, as that of defence.

In the economic field alone, the member States of GATT and EFTA, and their Parliaments, have already forfeited something of their sovereignty, and the peoples are all the better for it.

Between the two world wars, Governments became increasingly aware of their responsibilities in regard to the economic and social prosperity of the populations entrusted to their care. Events were allowed to take their course. In those years, Governments and Parliaments gave free rein to the exercise of their sovereign rights. New measures were taken all the time to restrict imports. We have seen the disastrous consequences of those measures.

At the time there was no alternative; but people had to get used to the idea that interdependence had reached a point where no European country was in a position to follow an economic policy determined entirely unilaterally.

A few years ago the British Chancellor of the Exchequer —it was Mr. Butler—observed, at the time of a slight recession in the United States, that a drop in consumption of 5 % in the United States caused a reduction of 30 % in exports from Great Britain.

In the face of realities of this kind Governments and Parliaments are impotent, and sovereignty becomes almost meaningless. Modern developments have whittled down parliamentary sovereignty in the economic sphere bit by bit. But co-operation

within a larger unit enables much of what was lost to be recovered.

In this connection, I was surprised by a statement which was made in the British Parliament. Our economy, it was said, will be controlled by Continentals. But the present Members of the Community could equally well say that, when Great Britain has joined, our economy will be coming under British control; for the fact is that the economy of every country will come under the control of every other; and the difficulties for the Community will be much greater than for any single large country.

It is distasteful to imagine a country wanting to become a member for the sake of the power of veto. Is Mr. Gromyko's permanent "*nyet*" in the United Nations really believed to have been a blessing for the world? I can hardly believe it. Experience has shown that no objective can be attained so long as the unanimity rule is upheld. Developments at OEEC have already shown this.

My friend Kalbitzer, who is also a member of the European Parliamentary Assembly, remarked in the Consultative Assembly a few years ago that a trend towards the supra-national could already be observed at OEEC. How odd! What had happened? It transpired that more than once a country had felt morally bound not to insist on its power of veto right through to the end. Morally speaking, it simply could not be done.

It is in that spirit that the Treaty has laid down that the right of veto could not be maintained indefinitely.

Nevertheless, it is a mistake to say that the powers of the EEC Commission and the European Parliamentary Assembly do not need strengthening, for such strengthening is closely connected with what we have just been saying. This assertion, apparently made from the point of view of national sovereignty, ignores one fact of the highest importance. What is the reality? When the EEC Council of Ministers take decisions by a majority,

ministerial responsibility to the national parliament vanishes. Something must be put in its place. We cannot allow it to be lost without recovering it in another way. But the truth is that we shall recover this responsibility only if the position of the EEC Commission is strengthened *vis-à-vis* the Council and the powers of the Parliamentary Assembly are widened. Therefore these powers must be strengthened.

Moreover, I would point out that we have seen only too often —only think of the United Nations—that meetings of Ministers almost invariably end in deadlock.

But the EEC Commission's task is to gain just enough authority to be able, by proposing compromises, to pull the Council out of the deadlock. For the sake of European co-operation, one must be ready to give up some fragments of sovereignty, so as to be able to say with Tennyson:

> "We may rise on stepping-stones of our dead selves to higher things."

These fragments of sovereignty which must be sacrificed at the national level must be the stepping-stones on which we rise to a level where sovereignty comes into play once more.

The stronger the position of the EEC Commission, the stronger will be that of the Parliamentary Assembly, and the more easily we can recover that element of sovereignty which has been lost in the evolution of modern history.

It is obvious that the Dover Borough Council would not be keen for the sewage problems of the town which they administer to be debated in the British Parliament. But it would not go so far as to claim that the construction of a tunnel from Dover to France should be discussed in the Borough Council and not in Parliament.

The same applies to economic developments today. Whether we like it or not, they compel us to seek co-operation at a

higher level, for it is only at the higher level that work really adequate to its purpose can be accomplished.

I tried, in the introduction to our annual report, to sum up the characteristics of the European Parliamentary Assembly. I thought it worth doing because, frankly, I was expecting Great Britain's move. It seemed to me a good thing that the British MPs here should know the club into which they are going to penetrate.

Speaking for myself—for I have received no instructions on this point from the Committee of Chairmen of the European Parliamentary Assembly—I think the entry of British Representatives into the European Parliamentary Assembly will mean far more than just an increase in the number of members. Their presence will not only help to form the atmosphere of the Assembly; it will also have a considerable influence on the creation of the Community's law.

For the shaping of that law does not depend only on the text of the Treaty. Certain usages are already established in the matter of institutional law and, in particular, of what our British friends would call parliamentary conventions, which form an integral part of the law of the Community. I do not claim that because the British join in the game it will be played according to British rules. Our British friends will discover that in our club the maxim "Parliament can do everything but make a man a woman" is not quite true. But I forecast that the fact that the British will be playing the game with us will enable a big step to be taken towards the strengthening of parliamentary influence in the Community.

For my part, I do not believe that this will necessitate amending the text of the Treaty. The influence of a parliament does not depend primarily on the powers given to it by the text of a treaty; it comes much more from the authority that it has built up over the years.

I shall try to demonstrate this by an imaginary example. Suppose that one day the Council of Ministers asks the Par-

liamentary Assembly's opinion on some regulations drafted by the European Commission on the subject of common transport policy; suppose, then, that after thorough discussion the Parliamentary Assembly proposes radical changes in the draft; suppose, further, that the Council of Ministers take no notice of this opinion and word the regulations as they think fit; suppose, finally, that the Council make a regular practice of this usage and ignore the parliamentary institution completely; do you believe that the Assembly would lie down under this and take it in good part? I think the time would come when it would say: "Either they treat us as real co-legislators, or else we will find another way—under the Treaty this could be by calling the Ministers to account in national parliaments—of securing respect for the democratic character of the Community."

I have tried, Mr. Chairman, to do justice to a historic moment in the life of the Community, the moment when Great Britain has applied for admission to the Community. Forgive me if I have not succeeded! I hope at least that I have presented some materal for a debate worthy of our present meeting and of this important event.

I shall conclude by saying just this. I am convinced that the vast majority, if not the whole, of the members of the European Parliamentary Assembly sincerely desire to be able to welcome our British, Danish and Irish friends as colleagues. We shall have taken a big step forward, a most important step towards a wider European unity, a step which I hope may bring us eventually to a great Atlantic community.

The Chairman (Translation). — I should like to convey our sincere thanks to Mr. Kapteyn for his excellent presentation of the Report—and I include both the written work and his speech today. I know from experience how much labour and trouble is involved in making such reports. I can truly say, Mr. Kapteyn, that you have performed your task remarkably well, and I thank you once more.

As the next Rapporteur I call Mr. Junot, author of the report on behalf of the Consultative Assembly of the Council of Europe.

Mr. Junot (*France*), *Rapporteur* (Translation). — Mr. Chairman, I think there is one part of my task which will meet with unanimous approval and I should like to begin with it. It is to tell Mr. Kapteyn how much both his written and oral reports have interested us and how we, particularly those of us who are members of the Consultative Assembly of the Fifteen, feel that they are remarkable documents. They enable us to penetrate the arcana, now and then somewhat mysterious, of the Communities of the Six and the Parliamentary Assembly.

I do not wish to go over in detail all the points of this remarkable work. In the written report which I have the honour to present to the Assembly of the Council of Europe and which I have not the conceit to think will have held the attention of all my colleagues all the time, I have referred to each of the points made by Mr. Kapteyn. I shall speak of only three of them now.

First of all, there are those which have taken on a particular importance as a result of the great historic event of the year—I refer to the opening of negotiations for the entry of Great Britain, Ireland, Denmark and, we hope, other European countries to the Communities. These two chapters are, naturally, those dealing with agriculture and with the Commonwealth. The third point, which in my view is of fundamental interest in the world today, is "Euratom."

As far as agriculture is concerned I should like, Mr. Chairman, to begin by making a confession. It seems to me that my colleagues on the Political Committee have been singularly rash in entrusting this report to me, since, if there is one member of the Assembly particularly unsuited to deal with the subject it is I, the representative of a central Paris constituency. Nevertheless, by applying myself to these problems and striving to understand at least the broad lines, I have perhaps one advantage in that I can assure you—and I am convinced you

will believe me—that I have no electoral interests to defend. (*Smiles.*)

In considering the agricultural question therefore, two problems seem to be of special importance: first, the general difficulty of adapting agriculture to modern conditions—and no doubt need be cast on the truth of that remark as far as we, the French, are concerned—then the special difficulty of the position of British agriculture in relation to European agriculture as a whole.

However, if I refer, like Mr. Kapteyn a short time ago, to indisputable omens, I think that this latter problem has perhaps been artificially inflated, no doubt because people have tended to deal with it in fragments and not as a single political item.

To mention only one of the views expressed I shall refer to that published in the *Financial Times* of London. In a recent article it states that there is no other significant reason preventing the speedy entry of British agriculture into the European agricultural system as a whole. At any rate, European agriculture needs a common trading policy, which is an indispensable complement to the organisation of markets at home—and also a social policy which assures farm workers of a decent standard of living equivalent to that of industrial workers.

I know that the Assembly of the Six has studied ways and means of doing this, that important discussions have been held in committee and in the Assembly and indeed in our own Assembly at its last session. The first thing to be done is to look for a means of establishing a price level on the home market higher than the present price level for agricultural produce on the world market, for I think that it is no exaggeration to say that give-away prices are often the rule there. The Assembly of the Six has thought of doing this—and I share the same hope —by instituting a levy system.

For our part, we feel it must be stressed that there can be no common market without a common agricultural policy.

The Commonwealth is, obviously, the most difficult problem for our British friends; it has come to the fore and is also facing us, the French, and others of our colleagues. I don't think it can ever be solved if it is studied merely at the level of relations between overseas territories and a nation with which they have had, and still have, close ties. It seems to me that it can only be solved on a large scale, namely, on the Europe-Africa scale. I know that the question facing Britain goes far beyond the African one, that there are, too, New Zealand problems and Canadian problems which are different. But, insofar as these problems, like those of the African countries, are insoluble within the narrow context of internal relations, to the same extent do they become soluble when examined from a wider angle. And where can they be better examined than in an Assembly such as the Assembly of the Six which will soon, we hope, be extended to a larger number of States?

I mentioned a moment ago that as far as energy policy was concerned special mention ought to be made of Euratom. In the world today every year and almost every month sees some new development—and, thank goodness, not only in the military field, but especially on the industrial plane, for peaceful purposes — of nuclear energy, and that means of Euratom.

Mr. Kapteyn's report did not make any special mention of this point, and that is why I apologise for stepping outside the bounds of my role as Rapporteur "in reply." But the subject is of such importance as to justify this slight departure from tradition.

The results achieved by Euratom today do not seem to me to be very brilliant as yet. But it is only fair to point out, as I hasten to do, that the circumstances attendant on its birth largely excuse and explain the unspectacular results achieved so far.

In fact, we must not forget that Euratom was set up at a time when the world felt itself to be on the brink of a serious shortage of energy supplies. For my part, this is still just as

liable to occur now, yet the opposite view is generally held at present, although things have not greatly changed, except, of course, for the oil which now comes from the Sahara. That is certainly of considerable importance not only for France and North Africa but for the whole of Western Europe. But the Sahara represents less than 3 per cent of world reserves—in other words it cannot alter the facts already established on the subject of energy.

In my view the Euratom treaty has one grave fault which has perhaps been too often overlooked. It makes a basic distinction in Article 2 between research and investment, and this, at our present stage of development of nuclear technology, can be described as arbitrary.

Over past years Euratom has established a research programme in co-operation with the American Atomic Energy Commission, which resulted in many contracts connected with the various aspects of nuclear technology. This result is interesting but limited in effect because it concerns only research carried out in laboratories or test reactors, and because the capacities of the various European schemes are both too modest and too scattered.

I should have hoped that Euratom would not have contented itself with receiving and examining proposals put to it but would have adopted a more active policy, taken more initiative and made some effort to group research workers according to their special branches on an international basis so that better co-ordination of effort could be achieved.

A new project, the Chooz scheme, has just recently been added to the programme. This decision is most interesting psychologically. It is to be hoped that it will serve as a precedent and be followed by other similar schemes. There is some talk, for example, of a power station in Berlin.

If I take the liberty of making this criticism, intended merely to draw attention to what, in my view, is a problem of

capital importance, it is because I know that the administration of Euratom has great faith in its work, but often runs into difficulties owing to the hidebound views of officialdom. However, I should hope that the pitfall of narrow Europeanism would be avoided, as it would be scarcely more satisfying than nationalism. Finally, our countries would have to make a united appeal to the United States to cease turning a deaf ear to requests for substantial assistance for European efforts in this sphere. I think that greater progress could be achieved in this way.

I shall restrict myself, Mr. Chairman, to these three subjects: agriculture, the Commonwealth and Euratom—the special points which I wished to mention concerning the work of the Assembly of the Six and Mr. Kapteyn's report for the period under review.

I have now some more general and more political remarks to make.

In his written report, Mr. Kapteyn gave a very interesting survey of the questions of direct election and fusion of Executives. I shall take care not to go over again the reasons at the root of these problems, particularly as I should feel that was indiscreet since these are problems of internal interest to the Assembly of the Six. I can, however, say that it seems indispensable that direct elections should be held and held soon. These elections are necessary. Similarly, no time should be lost in effecting the fusion of Executives, whatever reservations may have been made in this respect in certain circles.

At the present stage, in view of the revolution represented by the possible adherence of, in particular, Great Britain to the European Communities, it is perhaps a good idea to see how our two Assemblies might develop in the fairly near future.

In his report, Mr. Kapteyn studied the operation of the Assembly of the Six, and he told us why. I noted several aspects in this operational procedure which are familiar to us in the Assembly of the Fifteen. I also noted many differences and many reasons for envy by our modest Consultative Assembly.

In fact Mr. Kapteyn states that, on two or three occasions, decisions by the Assembly of the Six have been approved by the Executive and action taken on them. To us in the Assembly of the Fifteen that seems a very remarkable thing and, I must say, still very distant.

Is everything working for the best today in the European Communities? Most certainly not. Even so, the result achieved is very brilliant if you think of its beginnings and of what was being said only a few years ago, and if you think of the pessimism, sometimes aggressive and deliberately fostered, which surrounded the birth of the Communities. The worst catastrophies were forecast. But results have proved to be exactly the opposite. Each of the six countries can be proud of the action of the European Communities on almost all levels.

Our friend, Mr. Maurice Faure, in one of the brilliant speeches for which he has such a gift, gave an account to the French National Assembly two months ago of the errors and omissions to which these treaties, so familiar to him, have been subject.

Almost all the member countries have failed to respect some of their undertakings, and neither the Assembly nor the Executives have been able to force Governments to make good their errors. The Parliamentary Assembly is doubtless unable to do very much, for while the Executives are responsible to it, final power lies with the Council of Ministers. Before this Council, where every Member is still too often, but understandably, steeped in national politics, neither the Assembly nor indeed the Executives can do very much.

I should like to draw the Assembly's attention to this particular point, that it is the conception of relative powerlessness which calls upon itself the hostility or contempt evidenced by some statesmen in regard to the great international organisations.

These eminent men reproach the Communities for being ineffective. They make such organisations a laughing-stock, and

give this as their reason for refusing to grant them any power. That is precisely why, having signed treaties relinquishing certain national powers, they refuse to give up any of their privileges, thus condemning the Community organisations to powerlessness. This paradoxical reproach is undoubtedly one of the most difficult obstacles to be overcome in making the European Communities efficient.

Mr. Kapteyn also notes in his written report that it is a peculiarity of the Assembly of Six to have neither majority nor Opposition and that the debates, like all its policy, centre round mutual concessions and end up in co-operation based on compromise.

I fully support Mr. Kapteyn's analysis. It would be more appropriate to compare the Assembly with an Assembly united by a sort of sacred union in face of extreme danger—as we have sometimes known in our various countries—than with a compromise or coalition Government.

It is both comforting and worthy of note to see that the members of the European Parliamentary Assembly, like the large majority of those of the Consultative Assembly, are aware of the capital importance of the work on which they are engaged and voluntarily set aside their doctrinal and partisan differences in an attempt to build the framework of that united Europe which is the desired aim of all of us.

It is more particularly about the nature of that Europe and about the fundamental problem of integration, federation and co-operation that opinions are divided. This difference may easily set against each other men who in their national parliaments hold analogous views—but it may also bring together politicians who sit on opposite benches at home.

As far as I am concerned, Mr. Chairman, I am glad about this state of mind, for I think that the question of building Europe —for me it is an integrated Europe —is by far the most important of all the problems likely to arise for any one of us in our

respective countries, so that most of the time it renders all the classical imperatives out of date.

This same state of mind is to be found in the Assembly of the Six and the Assembly of the Fifteen. It is also present in the WEU Assembly and in all the European organisations. It is certain that our Assembly benefits from the continuous support of public opinion. It may be poorly informed but is at least anxious, as President de Gaulle so well expresses it, to identify itself with the times, and has realised that the movement in favour of European unification represents the only chance of survival for our civilisation in the world of tomorrow.

Each of our Assemblies has its own unity and its own role. The Assembly of the Six represents a stage which is already more advanced on the road to homogeneity and integration. The Assembly of the Fifteen has the advantage of weaving the first bonds between nations which are less close to each other by their geographic position, their degree of industrialisation or their economic and social characteristics. But all are united by the same principles of civilisation set out in the Human Rights Convention.

In spite of these shortcomings, in spite of the inevitable difficulties caused by the presence of a number of leaders whose minds are too narrowly national and by the revolution constituted by the adaptation of economies to the new framework and the breaking of age-long political customs, the Europe of the Six is nevertheless progressing now. At any rate it has accomplished the first stage in its growth better than was hoped. It is now ready to make new and decisive progress, by welcoming the accession of other nations and by affirming the pioneer spirit which it so boldly adopted as its own. Its expansion, though inevitable, must not take place to the detriment of its Community spirit.

On this point I should like to say a few words about the negotiations which have just opened on the entry of Great Britain, Ireland, Denmark and other countries to the Community.

Much of the road has been run—and very quickly so if we recall what was said on the subject in the European Assemblies a mere eighteen months ago. May I take the liberty of recalling here the considerable work and remarkable efforts furnished within the Assembly of the Council of Europe and the Assembly of Western European Union which give the British parliamentarians a valuable opportunity of rubbing shoulders with their colleagues of the Europe of the Six; these efforts have doubtless largely contributed to attainment of the point reached at the beginning of last month.

In fact it was in this very hall, during a meeting of the Assembly of the Fifteen, in January 1960, that Mr. Selwyn Lloyd, then United Kingdom Foreign Secretary, stated that in his view it was highly regrettable that his country had taken no part in the negotiations which had culminated in the signing of the Rome Treaty. He surely meant that, had his country participated in these negotiations, the Treaty would probably not have been concluded in exactly the same form. But he already admitted that he thought Britain had been wrong in not being present at these negotiations.

A great step forward had been taken.

Mr. Profumo continued along the same lines on the occasion of a meeting of the Assembly of Western European Union, and it was there that a still more decisive step forward was taken on a proposal by the President of that Assembly, our colleague Mr. Arthur Conte.

Finally, need I remind you that these last steps were taken in May last in London, where for the first time the WEU Assembly was meeting in England, an event of symbolic importance. And need I add that these steps were taken then on the basis of a report by one of our British colleagues, my friend Robert Mathew who, to advance our cause, courageously found a way of overcoming some of the traditional deep-seated opposition in his country.

It matters little now what process led up to our present position; the important point is that we have reached it. We are, I think, unanimous, in this joint meeting of the two Assemblies, in sincerely hoping that Great Britain and all the other member nations of EFTA will join the Community of the Six. We realise perfectly well that special arrangements will have to be made as a temporary measure, as I mentioned a moment ago, on the agricultural and Commonwealth questions.

In view of the high stakes, the greatest possible efforts must be made towards mutual understanding, and for our part we have decided to go as far as possible in this respect without, however, agreeing to any basic change in the principles which gave the Communities of the Six their merit and originality.

The communiqué of 28th June last by the European Free Trade Association seems very satisfactory to us in this respect, since it states that all parties will be prepared to modify their positions but that the fundamental political principles, not only of the various European States, but also of the European Community, will have to be respected.

The communiqué adds that

> "while some EFTA countries could not accept obligations of a political nature, all Members of EFTA are willing to undertake, in order to achieve an integrated European market, obligations which go beyond those which they have accepted among themselves in the Stockholm Convention."

Our colleague, Mr. Maurice Macmillan, whose enthusiasm for Europe is well known—and who was described by Mr. Kapteyn a short time ago as merely following in the steps of his father, a European parliamentarian ten years ago and now Prime Minister—expressed similar views last week in the brilliant report to be discussed by the Assembly of the Council of Europe in a few days' time. He wrote:

"Eventually the United Kingdom, too, may well take the lead in pressing for closer political co-operation—or even integration."

I am greatly encouraged by these statements.

Nevertheless, the friendship which I feel for our British friends, and they know that it is both deep and real, obliges me to be wholly frank, and I should just like to repeat the fears expressed by some of our colleagues regarding certain remarks made by the British Prime Minister in the House of Commons on 3rd August according to which it appears that he, fundamentally opposed to the very idea of integration, would like to see the Communities develop rather into a system of co-operation between States on the lines of the celebrated formula of *l'Europe des patries.*

It would be paradoxical if, when it seemed that following a happy compromise and mutual effort a *rapprochement* had been effected of the points of view so long opposed of certain members of the Six so that the joint communiqué by the six Heads of State or Government published in Bad Godesberg on 18th July last could contain a statement about the entry of new Members which is so sincerely desired; it would be paradoxical, I say, if this had the effect of causing a dilation of the truly European spirit.

Far be it from me to be pessimistic or to revive thorny problems which are, I hope, now once and for all defunct. On the contrary, I wish to consider only the possibilities of agreement between the official French view succinctly expressed by General de Gaulle, and the beliefs of those who think that integration is the only worthy aim in the near or distant future, that one day a United States of Europe may come into being and that at any rate, some restriction on national sovereignty is inevitable.

A passage from the joint statement of 18th July should be specially noted. The Six speak there of the "statutory character"

which should "as early as possible" be given to "the unification of their peoples." The adjective "statutory," if I rightly understand the French language, implies unanimous agreement that the proposed co-operation will be institutional in character, that it will not boil down to mere consultations, however regular, between Heads of State or Heads of Government. This European political co-operation will therefore be organised according to written rules. A system of this kind is not of the nature of a coalition; there is something "supra-national" in its principle, it foreshadows a European Government and is conducive to growing political integration.

This almost unhoped-for *rapprochement* of policies which only yesterday were opposed, cannot but bring great pleasure to the most wholehearted of Europeans in that it eliminates difficulties whose existence we will not admit. It seems that a great step forward has been made. We must take care that we do not return to a paralysis of the Executives by relegating them to a technical role at this moment when Great Britain, although a somewhat reluctant Britain, is being admitted. However much we may wish to see Britain belong to the Six, we should hesitate long before paying this price for its accession.

The negotiations which are opening between the Six, Great Britain, Ireland, Denmark and, we hope, other nations, will be long and difficult, as Mr. Macmillan said. I hope at any rate that they will be sincere and frank. We are persuaded that a merger of the Six of the Common Market and the Seven of the European Free Trade Association would be highly beneficial for both sides, even if the *rapprochement* between the free trade theory and the Community idea were to involve additional, and perhaps strenuous efforts on both sides.

The failure of the negotiations would manifestly be a great victory for the enemies of Europe, and for Mr. Khrushchev in particular. In other words, it would be a disastrous defeat for the free world. A united Europe must be created. It must be made to spread as far as possible by association with, in particular, the African States and Madagascar. Britain, naturally, has

its place, and a chosen place it is. All our effort and all our will must be united to achieve this goal.

I hope you will excuse me, Mr. Chairman, if I have detained you and the Assembly rather long. I should like to finish by mentioning briefly a problem which goes very slightly beyond the framework of our debate, but which to me seems of such importance that it cannot be passed over in silence on this occasion. It is the matter to which I have just briefly referred, namely, the association of a United Europe with an emergent Africa.

In this very hall, in June last, a most exceptional meeting took place between the European parliamentarians and the African and Madagascan parliamentarians. The results have been remarkable. I think it is indispensable that such efforts should be repeated, not only at the instigation of private bodies, however large, but officially in accordance with established rules.

The following problem will soon have to be faced. In pursuance of Articles 131 to 136 of the Rome Treaty, a number of States are associated with the economic Communities for five years. This five years' period will shortly expire. The question of the renewal or non-renewal of this type of association will soon be raised and I think it is probably by reference to Article 238 of the Treaty that a solution will be possible.

I know that a number of technical difficulties have arisen but that research is well advanced. In particular, it seems that a compromise solution worked out by Mr. Lemaignen, may be taken as a basis for an agreement between the six Ministers and that the system of preferences between countries associated with Africa and the Common Market will, at least to some extent, be maintained. But that is merely a technical aspect of the problem which will have to be regularised for this association to be achieved and codified.

Here, exactly one year ago, a man who was our colleague on the French delegation and who is so still in theory, Mr. Kalen-

zaga, a skilful politician from the Volta Republic, proposed the setting up of a Europe-Africa Committee within the Council of Europe. The matter is to come before our Assembly of the Fifteen for discussion at this Session.

Action of this kind cannot be encouraged too highly, for it is not directed against anybody. There is no question of forgetting the ties existing between Europe and this or that other continent since very special ties exist between Europe and Africa. It seems obvious to me that these two Continents are complementary. Africa is under-populated, short of technicians and equipment but rich in raw materials, while Europe is over-populated, well supplied with technicians and equipment but very poor in raw materials. It would be to the great advantage of both, therefore—and not of one more than the other—to come to agreement and form a whole.

When our African friends initiate requests of this type it would be not only dangerous but criminal to spurn the hand they are stretching out to us. In relation to the efforts we must make for peace and towards a balance of power in the world this would be the greatest mistake. I do not think that our African friends expect us to build the Africa of tomorrow for them; rather do they expect us to build this Africa with them. All under-developed countries expect this of us and, while not neglecting, I repeat, anything liable to benefit other countries, it is nevertheless quite naturally for Africa that we must make our first efforts. It is absolutely necessary to consider this problem here, when our two Assemblies are met together—which occurs all too seldom in my view—and to make it evident that this is our unanimous desire.

Mr. Chairman, with regard to the Report which I shall present to the Assembly of the Fifteen on the subject before us today, the Political Committee has, on my proposal, drafted a motion for a resolution. It obviously has nothing to do with our Joint Meeting but I should like to inform you of it unofficially. You will understand why when I have read it to you. It is very short and reads:

"The Assembly,

Having taken note of the decision of the British, Danish and Irish Governments to open negotiations for membership of the European Economic Community;

Wishing to be kept informed of the progress of the negotiations,

Decides to propose to the European Parliamentary Assembly that additional Joint Meetings of members of the two Assemblies should be held for the purpose of hearing and discussing together the progress reports of the negotiating body."

Mr. Chairman and colleagues, it is a motion which I hope the Assembly of the Fifteen will adopt in the very near future. It concerns the work of our two Assemblies, and that is why I have taken the liberty of informing you of it. In the Political Committee, and I am sure in the entire Consultative Assembly, this motion expresses a deep conviction and a very real desire to co-operate with you.

And now, Mr. Chairman, I again beg you to forgive me for having occupied the attention of the Assembly for so long. But it was necessary to clear up a number of points. I am not complacent enough to imagine that I have covered all of them. If some are still open to dispute, and if I have shocked some of our colleagues with some of my ideas, I am nevertheless motivated by the sincere desire of our Assembly, and of its Political Committee in particular, to see progress being made towards this united Europe for which we will strive wholeheartedly, following the example brilliantly set us over the last few years by our Assembly of the Six. (*Applause.*)

The Chairman (Translation). — I should like to thank Mr. Junot for his interesting and exhaustive comments as Rapporteur for the Consultative Assembly.

I now call the President of the High Authority of the European Coal and Steel Community, Mr. Malvestiti.

Mr. Malvestiti (*Italy*), *President of the High Authority of the ECSC* (Translation). — Mr. Chairman, Ladies and Gentlemen, today's Joint Meeting is taking place at a time rich in promise for the future of this continent. By applying to join the European Economic Community, Great Britain, Denmark and Ireland have set up a bridge between two Europes that were already reaching towards each other. The High Authority welcomes this historic development and will be following the negotiations with close interest.

We feel that the psychological and political situation created in Europe by the decision of these three countries only increases the importance of the provisions in the Paris Treaty for establishing "ties as close as possible" between the European Coal and Steel Community and the Council of Europe. At this stage in our search for means of creating political unity in Europe, the best way of facilitating mutual understanding and laying the foundations of a true co-operation is by meetings and discussions.

In my report to the Assembly here last year, I mentioned the special difficulties encountered by the Community in 1959 in selling its coal and the measures taken to deal with them by the High Authority. In 1960, we had the advantage of a more favourable economic situation, and the financial year closed on a rather less despondent note. In 1960, the level of supply was better adapted to that of demand and the discrepancy between the two which, in 1959, reached 21 million tons of coal equivalent, fell to 12 million tons. During 1961, the overall figure for the Community has continued to fall. The position, however, still needs keeping under observation by the High Authority.

A fall in production took place towards the end of 1960, though not so marked a one as in 1959, and this trend has continued during the first half of the present year. This is due to the reorganisation of the coal market in the Community which is at present taking place. The general improvement noticeable throughout the Common Market is not only the

result of the exceptionally favourable economic situation which has enabled demand to be kept up. It is also the result, in part, of the measures taken by Governments, the High Authority and the firms concerned to reduce supply without compromising the general social equilibrium.

I also mentioned last year the measures that some of the members of the High Authority had been obliged to take to restrict coal imports from third countries, in connection with the reorganisation of the coal market of the Community. The favourable economic situation and the progress made in re-adaptation on the production side have enabled certain of these measures to be rescinded.

In order to help the German coal market to adapt itself to the new conditions, the High Authority, in 1959 and again in 1960, recommended the Federal Government to impose a duty of 20 DM per ton on coal imports from third countries exceeding the quota of 5 million tons allowed free entry. For 1961, the High Authority recognised that the position still justified the Federal Government in maintaining protective duties, and renewed its recommendation—although, as a result of the improvement in the market and the employment situation, it raised the free import quota to 6 million tons. In view of this, and in order to avoid any discrimination between its suppliers, the Federal Government has extended the base period on which the free import quota is calculated to take in the years 1954 to 1958 inclusive.

Even in Belgium the year 1960 showed a certain improvement in the coal market, but this is not yet sufficient to enable Belgian industry to stand up to free competition either from the rest of the Community or from outside countries and restrictions on imports have had to be continued. To emphasise the temporary nature of these protective measures, however, and respect the principle of their progressive withdrawal, the overall quota fixed for imports from outside countries in 1961 has been slightly increased, and now stands at 620,000 tons. To be accurate, I should add that coke is not covered by the restric-

tions. The measures taken in both Germany and Belgium with respect to coal imports from third countries have been fully discussed with the Governments of the countries concerned.

Imports of coal from outside fell slightly in 1960, as compared with 1959, but had begun to rise again slightly by the end of the first half of 1961. Exports to third countries by the Community began to fall in 1960 and continued to do so in the first half of 1961. The Community's exports of coke, on the other hand, show a slight rise.

The United States is by far the largest outside supplier of coal to the Community, being responsible for some 70 per cent of total imports. In 1960, however, the absolute value of imports from the United States fell slightly as compared with 1959. Imports from the United Kingdom, which represent some 10 per cent of total imports, showed a rise in absolute value.

The Community's largest customers for coal remain Switzerland and Austria and, for coke, the Scandinavian countries, Switzerland and Austria.

While the internal demand for coal went up in 1960, its relative importance *vis-à-vis* the Community's total energy supply went down. Over the past ten years, consumption of coal and lignite has stood still, and the increase in total energy consumption comes from the use of gas and petroleum products. During the ten years ending 1960, the proportion of the Community's total consumption of energy represented by coal has fallen by nearly 20 %, while the proportion represented by gas and petroleum has risen by an almost equal amount. At the moment, only a little over half the Community's energy requirements are met from coal, while a good 30 % are met from petroleum.

In 1960, in order to ease the coal situation, the Governments of the producing countries imposed a number of graduated taxes on fuel oil and light petroleum products. But, clearly, a crisis of these dimensions cannot be dealt with merely by fiscal mea-

sures. By now, it is universally recognised that we are facing a crisis in the whole structure of the coal market and that large-scale readaptation is necessary to meet the new situation.

The situation in the solid fuel market is totally different from any that could be foreseen when the ECSC Treaty was being negotiated, and the Community's coal industry is now facing an ever-growing degree of competition from imported coal and petroleum products. Certain outside countries, for various reasons most of them connected with the structure of their own industry, are now in a position to offer coal at prices which, in some parts of the Common Market, are below those of the Community producers. The readaptation measures should aim at creating conditions allowing a rational exploitation of the mines and an improvement in the competitive quality of the Community's coal.

In the High Authority's view, these are the principles that should guide the choice of readaptation measures with regard to coal production in the Community. Modernisation of extraction methods and reorganisation of above-ground installations; concentration, in other words, a reduction in the number of pits worked thus enabling men and machinery to be concentrated at the most productive pits; closure of unsafe and marginal pits; promotion of coal utilisation in the districts nearest the pits, so as to reduce or eliminate transport costs.

When putting these principles into operation, attention must be given to their social implications. In practice, readaptation measures can be either imposed from above or adopted voluntarily by the firms concerned. That does not, of course, exclude a combination of the two, or else some form of co-ordination. When co-ordinated action becomes necessary, agreements are necessary in order to bring the individual firm's decisions into line with the overall objects of the readaptation.

Agreements on readaptation concluded in the mining industry affect, in most cases, all the firms in the area. Generally speaking, each mining area presents uniform, or at

least, similar features, from the geological, economic and social point of view. Hence the need to harmonise readaptation measures taken by firms in the same area. On the other hand, it has to be recognised that it may be difficult to arrange for the adoption of readaptation measures by the firms in a single area, which necessarily all supply the same markets, unless these are accompanied by joint trading arrangements. In the first, difficult, stages of readaptation, the main thing to avoid is uncontrolled competition, or the adoption of trade practices dictated by the needs of the moment rather than long-term considerations, and hence apt to upset the economic and social balance and hinder the achievements of one's ultimate objectives. In these cases, the conclusion of readaptation agreements can be facilitated by the simultaneous conclusion of joint purchasing or selling agreements, on a scale that could not be allowed under normal trading conditions.

There is, however, no provision in the Treaty for authorising readaptation agreements to be accompanied by agreements for joint purchasing and selling arrangements with a view to enhancing their efficacy. On the other hand, the High Authority's Council of Ministers recognises the value of such arrangements, provided the validity of the agreements is limited to the period needed by the firms concerned to adapt themselves to the new market conditions and provided the agreements themselves are subject to the control of the High Authority, which retains powers to cancel them in case of abuse or if they are unsatisfactory from the point of view of readaptation.

On this basis, the Council of Ministers of the High Authority has undertaken what is known as a "lesser revision" aimed at bringing the provisions of the Treaty into line with present-day market requirements. The matter is now being examined by the Court which will in due course decide whether the proposed amendments to the Treaty are compatible with its basic principles. If the Court decides in favour of the proposal, the Parliamentary Assembly will then be asked to take the final decision.

In my speech to the Assembly last year I explained how a similar procedure had been followed in order to extend the social provisions of the Treaty.

The fact that it can be revised through the Community's internal machinery is a proof of the flexibility of the Treaty and the way in which it can adapt itself to quite unexpected circumstances by the adoption of novel solutions and novel methods.

Obviously, however, no consistent measures of readaptation in the coal industry and no long-term estimates of coal requirements are possible, unless they are related to the overall estimate of energy requirements which is itself directly related to the development of the economy generally. The energy situation in the Community reveals a gap which it is going to be difficult to cover. Energy requirements are growing more rapidly than home resources and it is plain that any expansion of production depends upon a supply of energy continuing to be available on as economic terms as possible. That being so, it is difficult to escape the conclusion that our countries would need to co-ordinate their policy in the energy sector, even if there were no Common Market.

With a view to such co-ordination, the High Authority, in conjunction with the EEC Commission and the ECSC. has prepared two memoranda for submission to the ECSC Council of Ministers. One of them deals with basic, long-term aims and criteria, and the other with short-term measures to cope with immediate problems and prevent the situation from deteriorating while we wait for the long-term measures to take effect.

Anyone attempting to draw up a long-term energy policy for our countries is faced with the need to choose between two basic alternatives. Reduced to their simplest terms, these can be described as whether to give the preference to ensuring adequate supplies, or to give it to ensuring that supplies are secured at as low a price as possible. In other words, which is more important: to ensure satisfaction of our future or of our pre-

sent requirements? In practice, the situation is further complicated by the interaction of several problems: the need to satisfy peak-period requirements, the need to consider the social implications of what we are doing, the varying economic policies of the different countries, the fact that their different development policies produce different requirements.

In order to take all this into account and to make a beginning towards reducing the difference between the countries' national energy policies, we have decided to suggest one or two basic measures of co-ordination to be put into force at once. While recognising that nothing must be done that could permanently arrest the trend towards the production of cheaper energy, we are agreed on the need for some measure of tariff protection, although on a strictly temporary and progressively decreasing basis. Any duties that are imposed have to be combined with a system of free entry quotas designed especially to help the regions in process of industrialisation which are traditional importers of coal from third countries.

Another point that has been stressed is the need to bring our trade policies into line with the conditions of competition, so as to eliminate contradictions between one country, or product, and another. This involves bringing in as soon as possible measures to clarify, to some extent, the position in the petroleum products market.

The High Authority realises that considerable progress has already been made in the difficult task of co-ordination in the energy sector, although it has only lately been begun. We have fully examined the implications of the choice of ways before us, and we have also examined and improved our readaptation and fact-selection methods, besides taking the first steps towards preparing and checking an energy programme for the Community as a whole.

I am sure that the experience thus gained by the Community countries in their attempt to formulate a co-ordinated energy policy will prove useful to the other European countries.

Energy is such an important element in economic development that the day may not be far off when those other countries will find that their own interests demand that they join in the co-ordinated energy system of the Six.

Passing now from the coal to the steel sector, we have good reason to congratulate ourselves. Community steel production in 1960 almost reached the 73 million ton mark and has continued at a high rate during the present year. Trade in steel products between the Community and outside countries kept at a high level during 1960 and the early months of 1961. Exports by the Community during the first few months of 1961, however, showed a slight drop. The steel requirements of the outside world remain high, but American exports, considerable Japanese competition and the high level of supply in general have combined to restrict the sale of Community steel products on the world market.

In 1960, imports of steel from third countries, which had shown a marked increase in 1960 as compared with 1959, reached a new high level.

Owing to the favourable economic situation, the results of which were also reflected in our trade, there have been no significant changes in the trade policy of the Community countries since last year's Joint Meeting. I might nevertheless mention one or two changes favourable to third countries that have taken place. France and Italy have reduced customs duties on steel alloys and certain types of pig-iron that were above the harmonised level of external duties. France has also withdrawn the special protective measures she was allowed to take in respect of certain countries when the harmonised duties were introduced.

The Community, as you know, is an importer of pig-iron. It has so happened that fairly large quantities have on occasion been imported at abnormally low prices, which has to some extent disturbed the operation of the Common Market. The High Authority is following developments closely.

The employment situation in the iron and steel industry has evolved in accordance with market developments.

Continuing its policy of readaptation, the coal industry had 78,900 unemployed in 1960. Partial unemployment has, however, fallen by more than half in the Community countries as a whole. During the same period, the steel industry had 22,400 jobs unfilled. Employment has risen at a slower rate than production, as the technical progress achieved in the last few years means that a rise in production is no longer automatically accompanied by a proportionate rise in employment.

The Treaty is dynamic. It stimulates and facilitates competition and encourages specialisation; but it also aims at ensuring that technical progress and large-scale structural readaptation are not carried out at the expense of the workers. This has involved directing our social policy, for the first time, towards the rehabilitation of workers so as to safeguard their earning power when, in certain circumstances, they have had to be declared redundant by the firms employing them.

But economic conditions over the past ten years have changed more drastically than could be foreseen in 1950. In the case of some products the market structure has altered so much that the crisis threatens whole areas, not just individual firms. The measures required to deal with a situation of this magnitude are in many cases beyond the powers of the High Authority.

It is true that the Treaty authorises the High Authority to finance new employment schemes, provided they are economically viable, to supply employment for workers who have become redundant as a result of the fundamental change in the conditions of production or the state of demand in the coal and steel industries. But the High Authority has neither the power nor the means at its disposal to deal with the unemployment problem caused by what it would not be wrong to describe as the ruin of whole areas.

The High Authority and the Council accordingly decided, at the end of 1959, to call an inter-governmental conference to consider the reconversion of industry in the areas affected by the coal crisis. This Conference took place at Luxembourg, between 27th September and 1st October 1960, and was attended by representatives of the six ECSC countries, the United Kingdom, the EEC Commission, the European Investment Bank and the High Authority. The Austrian Government, the United States delegation to the High Authority, the ILO and the OEEC sent observers. The Conference achieved its dual object of comparing experiences and ideas on the subject of reconversion, and assembled much valuable material which will be of great help in preparing a concrete programme. When the time comes to put the programme into operation there will, of course, have to be the closest co-operation between the Governments concerned and the institutions of the European Community.

This Conference on reconversion provides another example of the growing understanding between the countries of the Common Market, even on subjects outside the direct scope of the Treaty. One merit of the Treaty is that its architects had the courage to include readaptation of workers as one of its measures of social policy. This nevertheless implies a very much greater degree of mobility with regard to manpower than experience has so far shown to be practicable in the Common Market. The concept will therefore require some adjustment so as to take account of the reluctance of workers to move from their own area. The search for the best way to implement our economic-social policy has hence led to the conclusion that employment must be created in areas where an active population exists, and too much faith must not be placed in the possibility of creating a mobile reserve of manpower. In that way we shall be working more in line with the natural desires of the working population.

I feel certain that the outstanding feature of social policy during the coming ten years will be the search for a proper balance between economic and social requirements in the various areas, whether this is brought about by reconversion,

by area redevelopment, or by harmonising development between the different areas. The High Authority is glad to have been given the opportunity of helping in the first stages of research along these lines.

Among the boldest innovations of the Treaty must certainly be numbered the financial powers given to the High Authority. As you know, the High Authority is empowered to help firms' investment programmes by providing capital from loans which it is authorised to float. The High Authority has made full use of these powers whenever firms have required help and the condition of the money markets enabled it to do so. Thus, in 1960 and 1961, the High Authority has floated loans, totalling more than 56 million EMA units of account, on the United States and Swiss markets and some of the markets of the Community countries. This makes the third time that the High Authority has gone to the United States for a loan, and on this occasion also the whole loan, amounting to 35 million EMA units of account, was subscribed on the first day of issue.

The money raised by these loans has been devoted, as in the past, to facilitating investment by the Community's firms and to financing the construction of workers' dwellings. The favourable response of the financial markets in Europe and America provides a clear proof that the High Authority's credit stands high.

But, as you also know, the ECSC is not a closed community; it is open to all European countries and ready to take due account of their individual requirements. An agreement of association between the United Kingdom and the Community is in force and continues to prove itself of value. Our regular meetings to consider the general situation, and our exchange of views on future developments in the coal and steel markets in two production and consumption areas such as the United Kingdom and the Community have proved most valuable. The Government of the United Kingdom and the ECSC have recently decided to undertake a joint study of the following questions: mechanisation in the coal industry, long-term prospects of trade

in solid fuels between the Community and the United Kingdom, their respective energy programmes, the proportion of raw materials used by each in the manufacture of steel, and the use of automation in the steel industry. The agreements concluded by the High Authority with Switzerland and Austria on the cost of goods traffic in transit continue to operate satisfactorily. A complementary agreement was concluded with Austria in November 1960.

The outside world has shown itself particularly interested in the Dillon tariff negotiations now going on in Geneva. Most of the offers of and requests for tariff concessions relate, it is true, to the general products of the Common Market. Some, however, relate to products for which the ECSC is responsible. The general trend is towards a wider consolidation of the advantages accruing to the outside world as a result of the Community's harmonised external tariff. So far as the ECSC products are concerned, the levels of the harmonised duties are arithmetically less than half those of the level applied individually by the Six, even allowing for the 20 per cent reduction. It is hoped that the same position can be achieved in Geneva with regard to the external tariff for the general products of the Common Market.

The High Authority has always followed with much interest the work done in OEEC, particularly in relation to the latter's responsibilities in the energy sector, and it was anxious to be closely associated with the negotiations that have transformed the Organisation for European Economic Co-operation into the Organisation for Economic Co-operation and Development. A Protocol to the Convention provides explicitly for the High Authority to participate in the work of OECD, on a par with the other European institutions.

The High Authority is also following with attention the development of the association between the European Economic Community and the African States. It took considerable interest in the work of the Conference of European and African Parliamentarians and, during the debates that took place in this hall

between 19th and 24th June, was able to draw attention to the important part that the products, especially steel, for which it was responsible were bound to play in the industrialisation of the developing countries.

The High Authority feels that its experience in mining, steel production and their related industries qualifies it to make an effective contribution—in the way of technical assistance, training of executives and scientific and technical research—to the joint effort to be undertaken by the European and the associated African countries. It has, incidentally, just had an opportunity of providing substantial help towards implementing a five-year research programme for iron and manganese ore in black Africa.

Mr. Chairman, Ladies and Gentlemen, this Assembly is meeting at a moment when, all over the world, people are anxiously wondering what is to be the fate of one of the most important cities in Europe, and what is to be the immediate result of the trial of strength between the two great world Powers. At the same time, the whole Arab world is in ferment and the peoples of Africa are achieving their independence and trying to reach understanding the one with the other. Within a few years, the whole political scene has changed. We no longer talk in terms of the concept, so beloved of our fathers, of the balance of power. The political criteria and the rules of policy that did for our fathers will not do for us. What is more, they risk leading us completely astray. We are at the beginning of a new period in history. Everything still remains to be done—and if it is to be done properly we need to use our inventive powers far more than we have in the past. We have to invent a political way of life that will enable the European peoples to live side by side and draw closer together, spiritually and politically. In this context, the decision taken recently by the United Kingdom, Denmark and Ireland is of real historic importance, as proving the force of attraction exercised by the six-Power Community and the creative value of its methods.

As an Italian, I hope I may be allowed to remind you that we in Italy are this year celebrating the 100th anniversary of

national unity. What was Italy in 1815, on the morrow of the Congress of Vienna? Simply an area of some 300,000 square kilometres divided up into ten or more different states. What was it that drove the Italian peoples into initiating a movement that was to lead them within fifty years to a united country? It was the longing for political freedom and the right to live under the same laws. The first demanded a constitutional regime and the second a single State. Historical analogies are not always useful, but it is impossible, when remembering Italian history of the nineteenth century, not to think of Europe of the twentieth century—the Europe of today, that is, the new fatherland we all acknowledge and which exaggerated nationalism has at last shown us is the only guarantee of peace and fruitful co-operation. You will say that it was easier to unite Italy than it is to unite Europe, because it already had a single language and a single culture. That may well be true, but let me remind you that differences of language are not an insuperable bar to political unity and that Europe can already show examples of bi-lingual and even tri-lingual States. With regard to a single culture I would say this: does not the very fact of our meeting here show that Europe has already got a single culture? Surely we all believe in political and economic freedom, in the dignity of the individual and his right to freedom of conscience? Surely we all admit that the individual has rights that the State must recognise? Even if the laws under which we live are not exactly the same, they are all based on the same principles.

Every day that passes makes it plainer that, despite our cultural unity, the political, economic and social frameworks within which we live are too restrictive. There comes a time when unity alone is not enough and when man feels that the positive rules which govern—if not his private life, that would be going too far—at least the main principles of his public, that is to say, his political and economic life need to be brought into conformity with each other. That, and nothing else, is the meaning of the evolution now taking place in Europe. It is an evolution that allows an infinite variety of pace and an infinite flexibility in institutions and methods—that can find room, in

fact, for any kind of arrangement which takes due account of today's realities when preparing for those of tomorrow. What is impossible is to arrest it. We have seen it pass through phases of constructive enthusiasm and phases of stagnation, only to see these succeeded suddenly by phases of "reactivation" and attempts to express in concrete form the suggestions put forward in earlier periods.

Finally, in the field of European integration, it was reserved for the Six to make the boldest experiment of all and to crown it, as must be admitted, with the most encouraging degree of success. But the Six never forget that the first moves towards European political unity were taken in the Council of Europe, that home of the great European family which has so many different aspects and which yet owns a single culture because of its recognition of the existence of spiritual values. Those values are undoubtedly Europe's greatest treasure but they are a treasure that needs protecting and developing through solidly based social institutions and a consistent and harmonised policy.

Something is coming to fruition in Europe. Let us learn how to read the signs of the times and prepare for our children a freer and more glorious future.

Thank you, Mr. Chairman. (*Prolonged applause.*)

The Chairman. — I would express, if I may, our best thanks to the President of the High Authority for the important statement he has made to us.

The next speaker is Dr. Hallstein, President of the Commission of the European Economic Community.

Mr. Hallstein, *President of the Commission of the European Economic Community* (Translation). — Mr. Chairman, Ladies and Gentlemen, on behalf of the Commission of the European Economic Community I again welcome the practice—it has almost become an institution—by which once each year the

Executives of the European Communities report to a joint session of the Parliament of these Communities with the Consultative Assembly of the Council of Europe, and their reports are followed by a debate. Just as our own Community Parliament is an indispensable part of our Community's constitutional structure—since it is the institution which exercises democratic control over the Executives—so it is sound that we should all be compelled from time to time to see overall European responsibility for our action reflected in the deliberations of members of the parliaments of the European nations. The political and moral significance of this process is not diminished but, on the contrary, rather increased by the fact, of which we have been all the more painfully aware in recent months, that not all Europeans can take part in it through their own freely elected representatives.

My task for today is greatly facilitated by the excellent report on the activities of the European Parliament which we have heard from Mr. Kapteyn. It provides especially the members of the Consultative Assembly of the Council of Europe with the comprehensive survey they need, not only of the activities of our Parliamentary institution but also of everything that has happened in our Communities.

For my part, I do not propose to give any descriptive account of the latest developments in our Community. I shall rather try to appraise what has been achieved, or to make such an appraisal possible. The present moment is especially propitious for such a survey and such an appraisal.

At the end of this year the European Economic Community will look back on four years of existence. This will be a moment of political and legal significance because the expiry of these four years will mark the end of the first stage for the establishment of the Community as provided in the Treaty. Having reached this milestone, it is particularly appropriate for us to reflect whether our Community, which has been in existence for four years but is the outcome of endeavours begun more than ten years ago, has produced the expected results; whether it justifies the hopes which people have placed in it and are still

placing in it that it will prove to be for the good of the Member States, of Europe and of the whole world. Such a reflection is doubly called for at a moment when several European States have made known their intention to join the Community as Members with full rights and obligations.

In so doing I should like wherever possible to refer to the Preamble of the Treaty because in its few sentences we find reflected all the great aims which the Member States had in mind when they created the Community.

Let us see, first, what the Community is designed to mean to its Member States.

The first aim we meet in the Preamble is the removal of existing obstacles to trade. This implies a customs union and the other additional measures intended to make possible the free movement of persons, services and capital. The issue is to establish the conditions of a domestic market; the free exchange of goods and the free movement of the factors of production known as the "mobility of factors."

As you are aware the obligations to eliminate customs duties and quatitative restrictions, which are clearly laid down in the Treaty, have been fulfilled; the speed-up decision has even meant that certain provisions are applied in advance of the time-table prescribed by the Treaty. At the end of 1961, that is to say at the expiry of the first stage, customs reductions will have reached 40 per cent and—if the Governments confirm the second part of the acceleration programme—they will go up to 50 per cent. By the end of this year quantitative restrictions between the Member States on trade in industrial products will also have to be completely eliminated. In this respect liberalisation will therefore be complete. The first approximation of the national customs tariffs to the common external tariff—which is the other essential feature of a customs union—also to be accomplished by the expiry of the first stage, was already achieved at the beginning of 1961.

Let us pause for a moment to realise the significance of these facts now familiar to us all. Before the entry into force of the Treaty the elimination of customs duties and the total abolition of quantitative restrictions still seemed to many politically impossible and economically dangerous—especially since other endeavours in this direction had been fruitless. And yet this customs union which is the foundation of all our work and gives the most clearly visible expression to our policy of economic integration has already been partly put into practice. Indeed, we have rushed ahead of our schedule. The speed-up decision is evidence of the Member States' readiness to establish the customs union as an integral whole; it has therefore strengthened confidence in the irrevocable establishment of the Common Market.

What is the economic result produced by this progressive freeing of trade within the Community? Here again we find an answer in the Preamble of the Treaty. This says that the Member States have set themselves the long-term purpose to ensure social and economic progress and the constant improvement of the living and working conditions of their peoples. Of course we must not expect the desired effects to make themselves fully felt after so short a period; also, we must take due account of the especially propitious economic trends with which our countries have been favoured for several years. Nevertheless we can note the following:

Whereas the average annual expansion of trade within the Community area was about 11 per cent before the establishment of the Community, this annual rate of expansion has now risen to 22 per cent. In other words it has doubled. However, there has been an increase not only in trade between the Member States, but also between them and the non-member countries. Whilst there were many who feared that the establishment of the Community would have a disadvantageous effect on the non-member countries, it is a fact that, in particular, imports from these countries have also mounted since the establishment of the Community. The annual rate of expansion which until 1958 was 8 percent is now 10 per cent.

Over and above trade matters the following also deserves to be put on record:

i) Investment with the Community has grown considerably. Since the establishment of the Community the annual rate of expansion in investments has risen from 8 to 10 per cent. In 1960 it reached 11 per cent and the 1961 figures justify the hope that even this rate will be exceeded. Last but not least there is also the remarkable increase of foreign investment in the Community.

ii) Industrial production in the Community has made vigorous progress.

iii) Consumer prices are more stable than before.

iv) Trade and industry have been induced to adapt themselves in many ways and qualitative improvement of products has been stimulated. The interlocking of the six national economies has been stepped up to an extraordinary degree by all kinds of links between firms and by more intensive collaboration.

As I have said, it would be going too far to ascribe this favourable course of events to the Community's customs measures alone. There can, however, be no doubt that by and large its establishment has already been justified by the economic progress made for which the Community has provided a strong impulse.

For the Community is not only a customs union; it is much more than that: it is an economic union. I again turn to the Preamble of the Treaty, where it is recognized that "the removal of existing obstacles calls for concerted action in order to guarantee a steady expansion, a balanced trade and fair competition." This language expresses as an aim what is later described in the Treaty as a "common policy or the approximation of policies." And it also shows that this common policy is the indispensable counterpart of the abolition of obstacles to the free movement of goods, persons and capital. At this point we recall a criticism sometimes levelled, to the effect that the Treaty is too complicated and could in practice have been

limited to the provisions on the abolition of obstacles to trade. However, amongst Member States pursuing widely different economic and monetary policies any mere freeing of trade would be, if not impossible, then at least constantly called into question. If a Common Market is to be fully realised, the Member States must so far align their policies that they need no longer have recourse to protective action amongst themselves in order to cancel out the effects of unequal conditions of competition or of other artificial distortions. Nowadays, when there is mention of common policy, we generally think first of the common agricultural policy. This problem is being widely discussed, and rightly so. As you know it is a question of vital importance to the Community.

It has frequently been said in the course of recent months that the Community has fallen behind in working out this agricultural policy. But things take time in a domain which is so varied and so vast. After long deliberations with the Governments and the departments and circles concerned, the Commission has by its proposals provided a sound basis for the preparation of decisions which it is hoped that the Council may shortly take. These are concrete proposals for certain important agricultural products, set in a general concept for a common agricultural policy. The general line of the proposals can be put into a few words: the obstacles to trade are to be removed by the establishment of European market organisations.

Considerable progress has been made in other important fields towards the elaboration of a common policy or an approximation of the individual States' policies. I mention in particular the fields of competition, transport and commercial policy. The Monetary Committee provided for under the Treaty is working with considerable success. A Committee on Policy relating to Economic Trends has been set up. These institutions and the regular contact which the Commission and its staff maintain with the Governments and the various national departments provide an opportunity to confront views, to enquire into problems and to evolve common solutions.

Thus—hardly four years after the entry into effect of the Treaty—a great step forward has been taken, with the help of our institutional procedures, towards the approximation of national policies and, in some sectors, even towards a common policy. If we consider how firmly set and deeply rooted are national traditions and habits of thought, we may say that this is already a very satisfactory result.

I have just spoken of the institutional procedures. They are one of the basic characteristics of the Community. The Common Market cannot be translated into practice by the application of a few simple substantive and automatically effective rules. To accomplish what in the Preamble of the Treaty is called "common action," in other words to bring about a genuine integration of the markets and national economies, institutions are needed with powers different from those of the national authorities. It is only in this way that the Community can act and decide in fields outside the exclusive competence of an individual State; the Community can even overrule a Member State, of course only in fields where the States have recognized that power of decision. This guarantees that the Treaty will in fact be implemented.

Of course, all of us who work in the Institutions of the Community realise the deficiencies of the system under which we work. They are to a large extent connected with the interim condition which our Community represents: after all, the Community is not itself a State over and above the national States.

And yet, such as it is, it works; indeed, it has been working with undeniable practical success for almost four years. It would be wearisome to recite the activities of the various Institutions of the Community. Nevertheless I should like to take this opportunity to thank our European Parliament and to say again that it is our motive force and our support.

The provisions made to ensure the irrevocable implementation of the Treaty, the obligation to pursue a common policy accepted by the Member States—and the institutional structure—

all these show that the Treaty of Rome has sprung from a will for unification which extends beyond the purely economic sphere.

The Treaty is not only a trade agreement. It is a Treaty of a new kind and of a much wider scope. In view of other and unsuccessful beginnings, how could one imagine that the difficulties of such an undertaking and the sacrifices to be made by the Member States could have been accomplished by a simple link-up of commercial and economic interests! Certainly, the Treaty is to give each Member State economic advantages which are greater than the sacrifices it has to make. However, a political will for unification was needed if the existing structures were to be altered and this "peaceful revolution" accomplished. The purpose of the Treaty of Rome, then, is not only to build up a regional economic system. Nor is it only to recognize the interdependence of European nations on the economic plane alone, each nation remaining sovereign to determine its own fate in all other respects. The Preamble clearly expresses that the Treaty is intended to establish "the foundations of an ever closer union." How could it be otherwise? When we consider the significance of economic policy in our time, when we realise how deeply it affects the very livelihood of each individual and what therefore the full meaning of economic integration is, then we must admit that there can be no economic integration without it entailing, and even *a priori* implying, a certain degree of more comprehensive, of, in fact, political integration. In a world in which economic problems are no longer really distinct from political problems, readiness for economic integration becomes impossible without acceptance of an effort to establish closer solidarity between the participating States.

In our six countries we have begun to note these deeper effects of the Community. The application of the Treaty has led both those responsible and the general public to a direct awareness of the solidarity between our States and peoples; a solidarity which is no longer purely economic, but covers all the interests of our countries. This trend has found its most recent confirmation in the joint statement adopted on 18th July in Bonn by

the Heads of State or Government of the six countries. In the words of their declaration they have decided "to give shape to the will for political union which is already implicit in the Treaties establishing the European Communities;" a "statutory" form is envisaged to that end. Furthermore—and I should like to emphasise this here—they have, with a view to the further development of the existing Communities, decided to have a study made of the proposals contained in the resolution passed by the European Parliament on 29th June. I need not here recall the content of these important and fundamental proposals. They all point in the direction in which the Community of the Six has been constantly moving since its inception ten years ago.

This then is a true picture of the first results attained within the Community since the beginning of 1958. Let me sum them up briefly:

i) A large part—almost half—of the abolition of customs and quotas has been accomplished;

ii) The Community has helped to maintain the favourable economic trend and contributed to the expansion and the dynamism of the Member States' economies;

iii) A beginning has been made with the approximation of the Member States' economic policies; important measures of common policy have been prepared and brought to the point of decision;

iv) The organisational mechanism has proved itself and is, on the whole, functioning effectively;

v) The Community is arousing a greater awareness amongst the general public of solidarity between the Member States and it is the foundation for closer political association.

Let us now consider the Community's relations with the rest of the world.

The establishment of the Community is without doubt an event of great importance in the eyes of the other countries of the world, even beyond the confines of Europe. On the

whole its creation has been received with approval and sympathy; in many countries, and especially in the United States of America, government and leading circles have grasped the significance of this new step along the road to European unity and have realised the promise it holds for the maintenance of peace and stability in this part of the world, so frequently torn by internal conflict. Nevertheless concern has been expressed in certain circles—no doubt in all good faith—and to that extent we have been criticised. We have been accused of wanting to keep aloof and following a policy of autarchy—at least of promoting the internal trade of the Community only, without any consideration for our economic relations with the rest of the world. Of course we can understand this anxiety; for is not the Community the world's largest market for imports? At a time which is marked by the growing economic interdependence of all peoples and by the need to raise the standard of living of nations in so many areas it would certainly lead to the gravest results if the Community were to follow a policy of isolation.

But what has been our attitude in practice?

In the first place, we have not failed to explain to the other countries the policy which the Treaty itself prescribes for the Community's relations with the rest of the world. We have recalled that in the Preamble of the Treaty the Member States declare their desire to contribute "to the progressive abolition of restrictions on internal trade," and that amongst others Article 110 of the Treaty states the intention to contribute in the common interest "to the harmonious development of world trade." In my first address to the European Parliament on 20th March 1958 I accordingly said that the Community must endeavour to enter into this coexistence with the political world as a welcome member of that greater international family. For we have always been anxious to set at rest any doubts about our intentions or our aims; in particular we have repeated that the Community was brought into being to achieve internal progress and that by this it would contribute to the common weal.

Have our deeds borne all this out? I believe that we have no reason to fear fair judgment. The common customs tariff is perhaps the most important factor on which trade relations between ourselves and the rest of the world depend. The Treaty itself lays down most of the level of the tariff, in accordance with those rules of GATT which set its upper limit; for a certain number of goods this had to be determined by negotiations among the Member States. The customs tariff itself has not yet come into force. Yet, as I have said, a first 30 per cent approximation to it of the national tariffs of the Member States was already effected at the beginning of this year. This new customs tariff, which certain States look upon with concern, is however by no means unalterable although its basis is perfectly legitimate. First it was laid before GATT and subjected to the procedures stipulated by the General Agreement, the Community doing everything within its power to take into account the interests of non-member countries through concessions which in many cases go far beyond what the Community felt to be the measure of its obligation. Moreover, the Commission has approved the proposal of Mr. Douglas Dillon, the United States Secretary of the Treasury, that there should be general negotiations for a considerable lowering of tariff barriers. To facilitate the rapid progress of these negotiations the Community has even proposed that the countries concerned should carry out a 20 per cent across-the-board tariff reduction. Even before the negotiations started the Community has carried out the first approximation of national customs tariffs—to which I have referred earlier—based on a common customs tariff reduced by 20 per cent. These decisions give concrete proof of the liberal principles upon which our policy is founded; of course the Community expects the other important partners in world trade to adopt a similar attitude so as to enable the Community itself to proceed along this course. At any rate we hope that the negotiations undertaken in GATT will be profitable and will contribute to an expansion of world trade.

However, what the Community has done in the field of trade has not been its only contribution to strengthening the economic potential of the free world. After the war, when

Europe was licking its wounds, going ahead with its reconstruction and attempting to make up its leeway, the United States were virtually alone in carrying the burden. This consisted, in the first place, of maintaining and reviving the Western economy, not to mention the defence burden. The past fifteen years when many countries indeed made considerable progress involved an ever growing increase in the burden shouldered by our friends across the Atlantic.

In our opinion the European Economic Community now has an essential part to play in this development. The rehabilitated European countries must now together assume their share in the ever increasing tasks of the world's leading Powers. The Community has at its disposal an economic area, a potential and opportunities which are well suited to help in stabilising the balance of forces in the world. We sometimes get the impression that Europeans themselves do not always fully realise the magnitude of what they have undertaken nor the scope of the task to be performed. On the other side of the Atlantic, however, there has never been any doubt about the part which a strong, united and prosperous Europe can play on the side of freedom in the concert of Powers.

Perhaps you will allow me to repeat what I have recently said in this House: "in the long run the functioning of the new economic order in the West depends on the fact that a centre of attraction is arising in Europe which is capable of bringing together the nations of our continent and of forming them into a whole that will act together and undertake its own share of responsibility in an Atlantic partnership." The road towards this partnership has already been mapped out, as the United States have declared their readiness to enter the new Organisation for Economic Co-operation and Development (OECD). We are confident that collaboration there will even give added strength to the bonds linking our friends across the Atlantic with the countries of Europe.

Before I close with a review of the situation in Europe I should like to say a few words on the interest taken by the Community in building up the developing countries.

This interest, too, is clearly expressed in the Preamble of the Treaty where it is said that the Member States intend to confirm the solidarity which binds Europe and the overseas countries and desire to ensure the development of their prosperity in accordance with the principles of the Charter of the United Nations. This aim is translated into practice by a system of association between the Community and those African territories which were dependent on a Member State when the Treaty was ratified. This is not the occasion for a detailed appreciation of the way in which the association policy has been applied. I feel that its value is sufficiently proved by the fact that after they had attained independence virtually all the territories associated at the time of ratification expressed a desire to continue their association. Their desire corresponds to that of the Community which is at present examining the content of a second Association Agreement to enter into force on 1st January 1963 when the first Agreement expires.

The Community is also taking an active interest in the other developing countries. It is aware of the considerable role which it can play in this field because of its position as the world's largest importer of raw materials. Therefore it has in particular taken part in the work of the Development Assistance Group (DAG) and will continue to make every contribution in its power to the success of this undertaking.

Let us finally glance at the position of the Community in Europe itself.

In the European non-member countries its establishment has, on the whole, called forth reactions similar to those I have just described, except that they were even more intense because the countries concerned are our immediate neighbours and naturally feel more directly affected. Not only has the Community been accused of a trend towards autarky or protectionism, it has also been reproached with introducing "discrimination," splitting Europe, and aggravating the differences between what is generally known as "greater" and "little" Europe.

I certainly would not wish today to revert to these old discussions. In the past I have had repeated opportunity to speak to this House on this subject. We have always appreciated the anxieties of our European neighbours and friends. Whilst we, for our part, have undertaken to carry out a genuine economic integration and to lay the foundation for ever closer political association, we have realised that certain neighbour countries are not yet willing or able to accept the same conditions and to proceed along the same road. Therefore we quite understood when they endeavoured to work out systems which were to enable them to enjoy the benefits of the elimination of trade obstacles whilst allowing them to remain apart from an undertaking the aims of which they felt went too far. When I say that we understood the conclusions drawn from these views, I of course do not imply that we considered them correct, let alone suitable for adoption by ourselves. Our view of political and economic developments in Europe and the world has always led us to the conclusion that if Europe is to meet the challenge of our age it is essential that steady progress be made in the establishment of our Community. That is why we have again and again pointed to the invitation to the other peoples of Europe to join in our efforts which is contained in the Preamble of our Treaty. We have therefore always stressed the policy of the "open door," which is derived directly from the text of the Treaty, and emphasised the facilities for membership or association which it offers to the other countries of Europe. Today, almost four years after the entry into force of the Treaty, we are glad to find that the Governments of several European countries have come closer to our views and have given this concrete expression by asking the Community to consider their adhesion.

You will now expect the Commission of the European Economic Community to comment on the most important event which has occurred in the Community's relations with its neighbours. I refer to the application by several European States, Denmark, Ireland and in particular Great Britain, for negotiations with a view to their possible membership.

I believe it will be appreciated when I say that the state of the proceedings will not permit of a very detailed statement.

I do not have in mind any tactical considerations concerning the imminent negotiations between the Community and those who wish to join it. I mean that the Community itself has not yet concluded its decision procedure—even so far as the most immediate procedural issues are concerned; as you know, the Council of Ministers of the Community will deliberate on these matters for the first time next week. It is not for me to anticipate these deliberations in any way. Therefore anything I can say at the moment must necessarily be somewhat hypothetical. I can give you the elements of a statement rather than an actual statement.

Despite all these reservations connected with procedure I should like to place on the record of this House the statement issued by the Commission of the European Economic Community. The Communiqué which it published on 1st August 1961 reads as follows:

> "The Commission of the European Economic Community has taken note with very great interest and lively satisfaction of the declaration made by the Prime Minister, Mr. Harold Macmillan, on the subject of Great Britain's adherence to the European Economic Community. The Commission considers this a turning point in postwar European politics.
>
> The Commission regards it as a fresh recognition of the economic and political value of the work of European integration undertaken since 1950. It is particularly glad to note the very apt terms in the British declaration according to which the Treaty of Rome has an important political objective which consists in promoting unity and stability in Europe, essential factors in the struggle for liberty and progress throughout the world.
>
> It recognises, no less than the British Government, the extent and the difficulty of the negotiations which are to be begun. For some months, the Commission has been studying the problems raised in the case of adherence for Great Britain and for her various partners, on the one hand, and for the Community, on the other. It is resolved to bring

its full support to a positive solution of these problems, in order to contribute to the realisation of this new step in the economic and political unification of Europe, and thereby to tighten the bonds which link the free world on both sides of the Atlantic."

I have nothing to add to the substance of this, except that the applications for membership are by far the most important event in the short life of the Community. They are the most impressive evidence of the general recognition that we were right to build up this Community, that it is viable and full of promise. We can say with satisfaction: the Community has found acceptance. This is the reward for the steadfastness with which it has followed its course. For Great Britain, the logical consequences of the events set in motion may mean a turning point in its relations with the continent of Europe.

I should, however, like to add a few words on the impending negotiations. If I confine myself to the case of Britain, on which —if only to save energy—we must concentrate more in the initial stages, without entirely disregarding the case of the other countries willing to join, this in no way implies any disrespect to the latter. You will also appreciate that I will not today touch on the problems which arise in connection with the other European countries, especially the neutral ones. It is of course in the first place up to them to decide their policy in the light of the new situation.

Naturally, the adherence of such a great country as Britain with its world-wide relations and obligations gives rise to a large number of problems which are as weighty with regard to the importance of the interests at stake as they are complex in their multiplicity and in the overlapping of issues. I can at this stage only name the most important of them without going into any detail :

i) The agricultural problems, both internal and external;

ii) The question of a future common external tariff;

iii) The problems arising from Great Britain's traditional Commonwealth relations;

iv) The question of the association of further African territories with the Community;

v) The problems which an extension of the Community would entail for its Institutions.

The first impression we get from this list—which I repeat is not complete—is that those were rash who in their impatience inclined to interpret any hesitancy or doubts on the part of those who bear responsibility in Britain as a sign of arbitrary averseness. The catalogue I have recited reflects the facts as they are. It runs through the at times brilliant reasoning in the leading British papers and periodicals, not to mention the political debates in the institutions of the British Commonwealth. Lastly, its essentials are contained in the very application for the beginning of negotiations submitted by the British Government.

Clearly, if these difficulties are to be overcome, the first requirement is that the British Government should put the problems in a concrete form. This is not a tactical device to place the whole burden of the application on the would-be new Member. As tactics this might well be risky, and in view of all the factors which, though they are not immediately involved in the negotiations, nevertheless have a bearing on them, it might produce—an equally tactical—list of maximum demands. It does, however, follow from the fact that the Community which the new Members wish to join already exists. We can imagine that the old Members will feel that when they concluded the Treaty of Rome they had to face problems similar or analogous to those confronting any applicant, and that therefore they will assume the same answers to hold good; they may feel that whoever denies this should prove his case.

Only the negotiations will show to what extent this assumption is correct. Optimists already feel that accession could take place without delay and all the rest be left to procedure within the Community. They are right at least to the extent that the existence of the Community with its main characteristics clearly defined is bound to ease the task to be accomplished in the

negotiations. Nobody wants to pretend that for the purposes of these negotiations the Community does not exist, and to re-negotiate the Treaty of Rome. After all, what could be the purpose of this? Could it be to produce a cross between OECD and the Council of Europe by lowering the common denominator of both institutions through adding them together, and by dispensing with the very advantages which make each of these organisations superior to any other? I refer to the participation of the United States of America and Canada in OECD and the participation of neutral European countries in the Council of Europe. Nobody has anything so absurd in mind. Even though, therefore, the optimists may not prove to be right, even though protracted negotiations may be necessary, the existence of our Community, the fact that it has proved itself, and the resultant power of conviction inherent in the solutions it has found, are all constructive factors of fundamental importance.

What I have just said, of course, also has practical significance. The conviction which we have always held and still hold unchanged is that the substantive rules and the institutional set-up of the Treaty of Rome answer to the minimum requirements that must be met if a workable system of economic integration is to be initiated and kept in operation. We look upon economic integration and the solidarity which it produces as the prerequisite and indispensable foundation for the political coalescence of our nations.

Let me close my report with a consideration of the lessons we must draw from the foregoing for our future action.

A few points stand out: the Treaty has been applied. Its application has produced good results in the political as well as in the economic sphere. The policy of making the Community ever stronger and firmer has been crowned with success. It has convinced the hesitant, the undecided, and the unbelieving that the process of economic integration is a reality and will unfold irresistibly and irrevocably. In one word, this policy has created certainty and confidence.

This applies not only to the past but also to the future. An undertaking, a policy which has produced positive results must be continued with undiminished resolution. Our Community is not static, it is in constant evolution. Its rhythm is determined in the first place by the rules of the Treaty. In addition, the dictates of economic common sense, but also the urgent demands made on us by political events, influence the pace of our progress. Such a process cannot be halted. Neither the Treaty obligations to which we are committed nor the economic and political interests involved will allow this. I do not believe that the statement of this fact could be misinterpreted. We must continue on our road without pause if success is to crown what we have built up and in which our friends wish to participate soon. They, too, will surely understand that the Community wishes to remain true to its past and to the picture which it has presented to them. By quickly entering into the coming negotiations they will advance the date on which they can share in the advantages of the Community and in the great promise which it holds out to all our nations.

The Chairman. — I must thank Dr. Hallstein, President of the Commission, for an extraordinarily significant speech —and one which will afford us an important basis of discussion tomorrow.

The speaker now is the President of the Commission of the European Atomic Energy Community, Mr. Hirsch.

Mr. Hirsch, *President of the Euratom Commission.* — Mr. Chairman, Ladies and Gentlemen, it is a great honour for me to be invited to speak at this Joint Meeting of members of the European Parliamentary Assembly and of the Consultative Assembly of the Council of Europe.

It is natural, indeed necessary, that those with executive responsibilities should come before the representatives of the various countries to give an account of their activities so that the latter may have an opportunity to exercise their right of censureship.

It is also a good thing that such speeches should be made to a larger gathering, so that we may show that our action is not purely selfish, not directed solely towards the interests of the member countries of the European Communities, but is intended to benefit the wider framework of Europe as a whole, or, I might even say, of all humanity.

I shall not, particularly being the last speaker at a meeting where very important subjects have been discussed, go into all the details of the work of the European Atomic Energy Community, particularly since these details are available to you in the Annual Report submitted to the Parliamentary Assembly last June.

I should merely like to recall the broad lines of our work and, with regard to the development of the European institutions, to refer to a few points not mentioned by earlier speakers. Rest assured, I shall nevertheless be very brief, for I know that, at the end of a long meeting, you are all anxious to have a break.

As far as our activities as a whole are concerned, I would just mention that the Treaty provides for an initial five-year research programme, costing 215 million monetary units, or 215 million dollars. In 1961 we reach the fourth of the five years of the programme, which will be entirely covered when the Budget for next year is fixed.

Ladies and Gentlemen, if the Council of Ministers of the European Parliamentary Assembly approves the motions which we shall table tomorrow, the whole of the 215 million monetary units provided for in the Treaty will have been tied up during the first five-year period. We have already begun to plan the second five-year programme.

How is this money used?

First, in setting up the Joint Research Centre provided for in the Treaty. At the present moment this Joint Research Centre consists of two establishments already in operation. The larger

is in Northern Italy, at Ispra. A more specialised establishment is now in operation at Mol in Belgium. It has specialised in nuclear measurement and is a nuclear standards bureau, whose importance goes beyond the bounds of the European Community since it engages on programmes planned on the scale of the whole of the Western world.

In addition to these two establishments we are constructing a specialised transuranic institute at the German centre at Karlsruhe. We have also signed an agreement with the Netherlands Government to transfer a considerable part of the Petten centre within the next few weeks. We shall therefore have an installation in the Netherlands before the end of the year.

As far as staff engaged exclusively on research is concerned, as distinct from those on the operational side, the number will be more than 1,600 by the end of the year and we are planning for a staff of 2,300 by the end of the first five-year programme.

Our activities are not restricted to the work of the Joint Research Centre establishments. We operate under association agreements and research contracts. Association agreements enable research organisations situated in the various member countries of the Community to participate in our work. I cannot give you a detailed description of such association agreements, but I can tell you that they include all the teams working on fusion, on controlled thermonuclear reaction. This field is extremely important for the future of humanity; it opens for us the prospect of unlimited energy resources, because the raw materials required are found in all the oceans of the world. It can be said that if this research is successful—it will take many years yet but there is no reason to think that it will not be successful—the problem of energy supplies for humanity, as long as man is alive on the earth, will be entirely solved. We have not yet reached this point, but we are convinced that whatever energy requirements may develop, they can be met once the problem of fusion has been solved.

We are also working under association agreements based on research with a precise object in view, namely the application

of nuclear propulsion to the Merchant Navy. We have four associations of this type, either already in operation or being negotiated, and their work is co-ordinated by a liaison Committee, with the result that all activities in the sphere of naval propulsion are co-ordinated by the Commission.

Similarly, we are doing important work, also under the form of research contracts and association agreements, for possible uses in the fields of biology and ionizing radiation with special reference to agronomy, medicine and genetics.

We have, moreover, set up an information bureau on the uses of radio-isotopes in industry, uses which increase in number every day and are essential if progress in all branches of human activities is to be assured.

Regarding the construction of industrial reactors for the production of electricity an important stage was reached this morning when the European Parliamentary Assembly approved the draft additional budget submitted by the Council of Ministers. It provides us with the means of participating in the construction of power reactors according to formulae which make information on the construction and use of such reactors available to all interested bodies within the Community.

That is very important in view of the role which nuclear energy is called on to play—I shall not say in the immediate future, for these will be years of development and lowering of production costs, but in a period which, from the point of view of industrial exchanges, is near at hand since it is a period of some ten years. We are convinced that nuclear energy will then be able to compete with the traditional sources of energy. I am convinced that my colleague, the President of the High Authority, is grateful to have this respite of a few years which will make it easier to carry out the conversions necessary for the general development of Europe. This continent imports enormous quantities of energy and will have to import more and more energy with the increased energy needs per head of population brought about by improvement in the standard of living.

It is therefore of the highest importance that all the industries capable of participating in the construction and importation of reactors should acquire, within the appropriate time, the necessary experimental basis to enable them to fulfil their role and prevent our States from being dependent on other countries in a field which will very rapidly become vital.

In addition to this research, fundamental biology must also be studied if we are to achieve really significant results. Outside basic research, applied research, and research directed and intended more particularly for industrial purposes the Commission has an important role to play in fields such as health protection. But I shall not go into detail; I shall merely refer you on this point to our report.

We have succeeded in arranging that the six Member States should agree on a very important draft additional convention on nuclear security. This scheme interests other countries. Indeed, since nuclear dangers are not excluded by frontiers it is most important that the greatest possible number of countries should accede to this additional convention which gives much wider scope to the very limited convention drawn up within the framework of OEEC.

Our work is also increasing in the documentation field and is of great interest to third countries. We collect and distribute technical information and publish a bulletin which includes translations or works written in oriental languages, in particular those published behind the Iron Curtain.

I would remind you that we attach great importance to our relations with third countries. We are happy to have had many ambassadors accredited to us who ensure close relations with all States that wish to be so connected with us. Agreements have been concluded with a number of countries, in particular with the United States of America. In this connection, I would ask Mr. Junot's permission to refer to a passage in his speech which seems to me to be the result of incomplete information. We do not complain of what he describes as certain persons

"turning a deaf ear"; we are, on the contrary, pleased that collaboration should develop in very promising conditions—and we are particularly happy to have the opportunity at the end of this month of welcoming to our Ispra establishment the new Chairman of the American Atomic Energy Commission, Professor Seaborg. We have also concluded an agreement with Canada and we exchange a great deal information with this country for the study of a type of reactor which is planned as part of our programme.

We have recently concluded an agreement with Brazil and negotiations are well advanced for an agreement with the Argentine. We therefore do not limit our agreements to the highly developed countries, but take an interest in countries which have not yet attained that stage of development.

I have left to the last in this enumeration the agreement we have passed with Great Britain. It has now been in operation for almost three years and we are very satisfied about the contacts that we have had with that country under this agreement.

We are glad that we have been able thus to institute a collaboration which, we hope, will shortly become much closer. At the last meeting of the Council of WEU, Mr. Heath said that negotiations for the accession of Britain to Euratom and the ECSC could be opened as soon as discussions on Common Market problems had reached a favourable stage. That is one more reason for our hoping that things will turn out so.

In this respect I ask your permission, Mr. Chairman, to make a reference to the not too distant past. I had the privilege, the day following the historic declaration by Mr. Robert Schuman, that is, on 10th May 1950, of accompanying Mr. Jean Monnet to London. The object of his visit was to invite the British Government to accept the invitation officially issued by Mr. Schuman.

We explained the long-term political and practical significance of Mr. Schuman's statement. The British Cabinet con-

sidered the matter very seriously. But after mature deliberation the following reply was given:

"We are not prepared to join—but you will not proceed."

Mr. Monnet replied:

"We regret that you are not prepared to accept our invitation but we have decided to go ahead and to avoid repeating the fatal error committed by the French Government in 1936 when it asked you if you were ready to forge ahead while there was still time to counter Hitler and arrest the menace which was then threatening the world. Experience will show you that we shall succeed. You will note that none of our intentions is hostile to Great Britain—rather the contrary—and we are convinced that in due course you will join us."

I am glad that Mr. Jean Monnet's prophecy should now be on the point of coming true.

As far as we, at Euratom, are concerned, we are convinced that it would be to our mutual interest to have as an associate such an experienced country as Great Britain and for Great Britain to have an associate who is perhaps less experienced but capable of diversifying the necessarily limited experiments which a singe country can undertake in such a vast field.

I shall now speak very briefly of the progress of our institutions. I should also like to ask Mr. Junot's permission to borrow the expression *liberum veto* which I was surprised to find in his report.

It is probably in the Atomic Community that one finds fewest cases of unanimity provided for in the Treaties. Practice has shown that we frequently obtain majority votes on very important questions. This is a source of satisfaction and proves that the institutions operate as intended, that is, efficiently.

There is another matter which was mentioned last year and in which progress has been made, namely, the merging of the

Executives. As you are aware there is only one Court of Justice and one Assembly for the three Communities where the three Treaties set up three Executives and three Councils of Ministers.

The Netherlands Government recently tabled a motion proposing the merging of the Executives and of the Council of Ministers. We are convinced that while it may have been a good thing, when the Communities were established, to have executives to set them in motion, the time has now come to further the efficiency and progress of the European Communities by having only one single Executive and one Council of Ministers. The Commission was therefore delighted at the Netherlands Government's action.

Culture is of particular importance in the construction of Europe.

You know that a start was made a number of years ago to set up a European School in Luxembourg. Another was later established in Brussels to meet the needs of the Community. We have opened two other similar schools during the past year, one at Varese, near Ispra, and the other at Mol in Belgium, and we propose to set up two more schools of the same kind next year at Karlsruhe and Petten.

I can assure you that results on the educational plane and in the training of European citizens are extremely satisfactory —and they also influence in a general sense the teachers in our various countries. The teachers are appointed by the Ministries of Education of the six countries and they acquire knowledge which they can later use within the framework of their national education system.

This work is, in our view, of particular importance in creating that European spirit without which there will never be a Europe.

I spoke to you last year about plans for a European University. During the Summit meeting of the Six on 18th July last

in Bonn, to which allusion has already been made, a formal decision was taken to instruct the Italian Government as joint nominee to set up this European University at Florence. I have every reason to hope that it will be able to open at the beginning of the 1962 school year.

Positive decisions have also been taken to set up European teaching and research institutes and to develop exchanges of teachers and students between the traditional universities.

We believe that all these measures are of capital importance for the development of Europe.

I shall not dwell longer on the importance of the political decision taken in Bonn on 18th July, except to say that it is in accordance with the needs revealed by experience as necessary if positive action is to be taken in a political Europe provided with efficient institutions.

The lessons of history show us that civilisations are unstable. When egoism is dominant civilisations disappear. The picture of ancient Greece is well known, as is that of Gaul where sixty nations whose valour was recognised by their conquerers were defeated because they did not learn in time how to create joint institutions. In the present circumstances history must not repeat itself.

In conclusion, Mr. Chairman, I shall say that these three years of concrete experiment have merely served to confirm my belief and my hope, nay my faith, in the United States—the true United States of Europe—as guardians of human progress and the brotherhood of mankind, social justice, liberty and peace. (*Applause.*)

The Chairman. — I want to thank Mr. Hirsch for the most interesting statement he has just made about the activities, the essential features and the aims of the European Atomic Energy Community.

Ladies and Gentlemen, we are now at the end of today's Sitting. We have taken five reports, two from the Assembly itself, three from the Presidents of our three Communities. I would suggest, if I may, that this has all been an excellent preparation for tomorrow's Sitting.

The Sitting of tomorrow will be resumed at 11 a.m. We have already a substantial list of speakers. And the list is not yet closed: additions may yet be made.

Let me now then close the meeting with my thanks, again, to the Rapporteurs and an expression of thanks for your enduring patience with the way in which this wide-ranging mass of material has been handled.

SECOND SITTING

WEDNESDAY, 20th SEPTEMBER 1961

IN THE CHAIR: Mr. FEDERSPIEL

President of the Consultative Assembly

The Sitting was opened at 11 a.m

The Chairman. — The Sitting is open.

1. *Activities of the European Parliamentary Assembly (Resumed Debate)*

The Chairman. — The Order of the Day for this morning's Sitting is a debate on European affairs on the basis of Reports made to the Joint Meeting yesterday afternoon. I have a list of speakers whose names were entered yesterday evening. If anyone else wishes to speak in the debate, I ask him to be good enough to hand his name to the office behind the Chair not later than 11.30 this morning.

In the debate, I call Mr. Gustafson.

Mr. Gustafson (*Sweden*), *Rapporteur, Economic Committee of the Consultative Assembly.* — Mr. Chairman, the Economic Committee of the Council of Europe has deliberately asked

a representative from the Six to reply to the EFTA Report and representatives from the Seven to reply to the Reports from the European Communities. Whatever the reason might be for that arrangement, it has given the Rapporteurs an opportunity to study developments and progress in the other group. I think this is a good thing. More real knowledge means less misinterpretation and less misunderstanding. In the Council of Europe, where we have the privilege of having representatives from both the Six and the Seven as well as from other countries, we have often found that the studies made by our Rapporteurs and the frank discussions we have had have cleared away misunderstandings and laid new foundations for positive cooperation.

In this Joint Meeting we have the privilege of meeting the parliamentary body that follows the day-to-day life of the Communities and which can, therefore, share with us their practical experience. I hope that that will save us from being too theoretical in these discussions.

When reading the Fourth General Report on the Activities of the EEC for the period May 1960 to April 1961 in order to prepare a reply to the Consultative Assembly of the Council of Europe, I have been much impressed by the dynamic evolution within the EEC. Almost all figures show considerable increases for the year 1960 in comparison with the year 1959. To mention only a few examples—industrial production, 12 per cent; productivity, 7 per cent; gross national product, 7 per cent: intra-Community trade, 24 per cent.

The Report makes no secret of the fact that the EEC has had the benefit of an economic boom which also has characterised the situation in some countries outside the EEC. This very favourable economic climate has, of course, facilitated the process of integration. The Report tells us also of a certain slackening in the rate of growth during the second half-year, but, all the same, the Report is a story of remarkable progress, and I wish to congratulate the European Economic Community on its great success.

Of course, the Report speaks also about difficulties and problems, difficulties in arriving at common policies and difficulties in implementing certain articles of the Treaty; but, considering the enormous task which the EEC has undertaken, it is only natural that problems should arise.

We have before us a very interesting and exhaustive Report presented by Mr. Kapteyn, and yesterday we had the privilege of listening to the brilliant speech of the President of the EEC, Mr. Hallstein, as well as to other speakers. There is, therefore, no need for me to go into detail at this moment. I intend to mention only a few questions which were not much discussed yesterday. This means that I shall not speak about agricultural policy, as the only thing in which Mr. Kapteyn and Mr. Junot did not succeed yesterday was their effort to convince us that they were completely ignorant on this subject. I shall not speak about agricultural policy, but I may perhaps add that the Council of Europe has tried to make some contribution to the work in this field, and I am sure that the EEC has studied our Recommendation 280.

As regards a common transport policy, there still remains much to be done by the Community. From the side of the Council of Europe, we feel confident that, in formulating such a common transport policy, the Community will take into consideration the overall needs and interests of all Members of the Council of Europe.

With regard to social policy, the Treaty gives the EEC the task of promoting the improvement of the living and working conditions of labour so as to permit the equalisation of such conditions in an upward direction. This is of special interest for me, as I come from one of the Scandinavian countries. In social matters we have really succeeded in arriving at common policies in many respects, and we have a Nordic harmonisation and co-operation on social policy which we shall do everything in our power to keep, whatever may be the outcome of the present negotiations regarding accession to the EEC.

The Report contains an interesting discussion of the dangers both to the EEC and to the outside world of having excessively high balance-of-payments surpluses. The Commission is of the opinion that a substantial increase in the export of public capital by the Community, particularly to the under-developed countries, is necessary, and that these measures must be accompanied by a strengthened liberal commercial policy. This is a very interesting question indeed and much could be said about it. I shall confine myself to agreeing with what the Commission has said and wish it all possible success in this field.

The Report of EEC also deals with other problems for the developing countries. These countries have suffered much from fluctuations in the prices of raw materials. Furthermore, those developing countries who will find themselves outside the Common Market will find it difficult to obtain markets for their industrial goods. This question has been much discussed within the EEC. President Hallstein said a year ago, at the Joint Meeting, that the most important problem of developing coordination is to ensure that there is no conflict between measures of commercial policy and those of financial and technical assistance. President Hallstein added that it will be necessary to find an answer to the question to what extent imports of produce from these developing countries can be increased.

President Hallstein pointed out that this applies to all industrial raw materials and agricultural produce, semi-finished articles, and finished goods. In Mr. Kapteyn's written report he shows the difficulties of maintaining a fair balance between protecting the Common Market and giving the under-developed countries an opportunity to dispose of their produce by increasing their possible markets in Europe.

There are several ways of improving the situation. I know that tariff quotas are not popular with the Commission, but the problem is so great that no measure should be ruled out beforehand. The most radical way of alleviating the burden of tariffs for the developing countries would be to make a substantial reduction in the external common tariff and thus develop the

EEC into a low-tariff Community. This would be of importance not only to the under-developed countries but to the world as a whole. I am glad that Mr. Hallstein has stressed the fact that the common tariff is by no means unalterable, and I hope that member countries of EEC will treat the common tariff as an initial tariff and see their way gradually to lower the common external tariff and thus promote dynamic world trade.

The development referred to in the Fourth General Report of EEC is additional evidence of the urgent need for all Members of the Council of Europe to seek together a solution of the problem of forming a single European market. We therefore welcome the statement in the Report that the different institutions of the Community are unanimous in their intention actively to pursue the search for a final solution of the question of economic relations between the Community and other European States.

I hope that we are all agreed that the only solution to this question is a Common Market embracing all the member States of the Council of Europe. A decisive step towards such a solution has now been taken by Great Britain, Ireland and Denmark, who have applied for membership of EEC, and this is now welcomed within EEC. But this means that only two of the seven EFTA Members have made a formal application. What about the other five? Should they be forgotten, and form a new group of the forgotten five? Certainly not. We must not overlook the fact that in their eager wish to promote the economic integration of Western Europe all the EFTA countries made public, through the EFTA Council, an important declaration on the very day that the British Prime Minister made his statement in the House of Commons. In this declaration the EFTA Governments stated that they considered that the initiative taken by the British and Danish Governments provided an opportunity to find an appropriate solution for all EFTA countries, and thus to promote the solidarity and cohesion of Europe.

They declared that they consider it the duty of all concerned not to miss this new opportunity, and they made the following declaration of intent :

> "All Member States of EFTA declare their intention to examine with the European Economic Community the ways and means by which all Members of EFTA could take part together in a single market embracing some 300 million people."

This declaration has been sent to the European Economic Community, and we are waiting for some reaction from the Community on the subject.

In the London communiqué of June 28th, which was reaffirmed in the declaration I have just mentioned, the EFTA Ministers further declared—and I think that this is very important—that after having re-examined the problems of European integration they have found that while some EFTA countries could not accept obligations of a political nature, all Members of EFTA are willing to undertake, in order to achieve an integrated European market, obligations which go beyond those which they have accepted among themselves in the Stockholm Convention. They agreed that an integrated market must be built upon solid and permanent foundations and that there must be effective institutions to supervise the implementation of undertakings necessary to achieve a solution acceptable to all parties.

The EFTA Ministers agreed further that they should co-ordinate their actions and remain united throughout the negotiations, and that EFTA would be maintained at least until satisfactory arrangements have been worked out in negotiations to meet the various legitimate interests of all Members of EFTA and thus enable them all to participate from the same date in an integrated European market. They said that a partial solution which created new economic divisions within Western Europe could not in any circumstances be regarded as satisfactory.

I have talked at some length about these EFTA declarations because I have a feeling that the situation is not quite clear to public opinion. It is important to stress the fact that all EFTA

Governments have said this. Of course, the situation is clear to the European Economic Commission as, in its application for membership, Great Britain clearly stated that the British Government have need to take account of the special Commonwealth relationship as well as of the essential interests of British agriculture and of the other Members of EFTA.

What complicates the matter is the fact that three EFTA countries pursue a policy of neutrality—a policy of non-alliance—and therefore have difficulties in becoming Members of EEC unless special provisions can be made to ensure that this policy is not impaired.

The question now arises of what is to be done with them. I am fully aware of the fact that some members of these two Assemblies have a solution ready, namely, that these countries should give up their policy of non-alliance. We all know that this is not possible in the case of Austria, whose status of neutrality is imposed by international treaty. As regards Sweden, the policy of non-alliance is a political fact. All the parties in Sweden agree that Sweden should not enter into any commitment that would mean its giving up its present policy. In passing, I may say that Sweden has not acted lightly in this matter. We often hear it said that Sweden is neutral because it suits its own selfish political interests. The problem is not quite so simple.

I will only mention the question of the destiny of Finland as one of the factors we have to take into consideration. For more than 600 years Finland was part of Sweden, until in 1810 it was cut off by Russian aggression. This very long time of full community between Sweden and Finland created many ties which are still a reality. We are sure that if, for one reason or another, Sweden gives up its position of non-alliance, it would mean that the already delicate position of Finland would deteriorate, and this must be avoided. There must be a place for Finland in the European family.

Finland is not the only reason for the Swedish position, but I give this only as an example. There are certainly other reasons

for tolerating the fact that there are neutral countries also among the Western democracies. If we have to acknowledge the fact that Austria, Switzerland and Sweden will not give up their policy of non-alliance, the question arises whether it means that they should be placed outside Europe—that they should not be allowed to take part in the economic integration of Europe. Of course not. They have all declared that they wish to take part and that they are fully aware of the fact that they cannot obtain the benefits of that market without being prepared to undertake economic obligations.

Yesterday Mr. Hallstein did not wish to make any comments on the position of these countries. On previous occasions he has discussed the ways of solving their problems, and if I have understood him correctly, he means that the EEC is willing to discuss both membership and association.

That is very interesting, because some people have said that the status of association under Article 238 should only be open to less industrialised European countries. In his statement to the European Parliamentary Assembly the day before yesterday, Mr. Hallstein said that the association of Greece should not be considered as a model for future association agreements. As I understood him, a country which for reasons of foreign policy might consider itself unable to apply for full membership may nevertheless, through an association agreement, obtain almost the same degree of economic integration as under the Rome Treaty itself. Of course, that implies that the country in question will also undertake corresponding obligations.

Professor Hallstein could speak yesterday from a position of strength, but strength always means responsibility. All the countries of EFTA have, through the declarations to which I have referred, shown a flexible and co-operative attitude. They have said that they are willing to respect the basic political position of the European Economic Community, but they also expect that the EEC will respect the political position of the other countries in Europe.

We are looking forward to the coming negotiations—not only with the three applicant States of Great Britain, Denmark and Ireland, but with all the member countries of the Council of Europe—with some concern, but I hope that the discussions in these Assemblies will contribute to a solution that makes it possible to promote the cohesion and solidarity of Europe by obtaining a Common Market comprising all the countries of Western Europe.

Mr. Hynd (*United Kingdom*). — If I want to add my thanks to the three Communities for the interesting reports which they have presented to the Assembly on this occasion, I do so as a British member fully aware of the new significance with which the discussion on this occasion is surrounded. The British members—and I am sure that I speak for many of my colleagues—this year do not feel themselves outsiders whose remarks must be confined either to seeking to patronise from a higher level of political wisdom and superior democratic experience than our less fortunate Continental colleagues, or to seeking, with some difficulty, to dissemble our growing envy of the new democratic initiative in Europe by constant speeches full of the nostalgia for our past glories.

This time, thank heavens, we are speaking as partners, if only, as yet, potentially, in this great historic development whose success is surely no longer in doubt and whose phenomenal progress becomes ever more evident with each of the annual reports brought before the Assembly. Yet we are all aware that this new Europe is still only in its infancy. It is true, quite clearly from the Reports we are discussing, that Europe has already achieved much in the economic and social fields; that it has doubled the rate of annual trade expansion within those four dynamic years is but one measure of its success, but we are all surely conscious of the fact that, again as emerges from these Reports, these great endeavours will remain fragile achievements and uncertain for the future unless they are firmly cemented by the necessary and, one would have thought, inevitable political developments which, in a democratic world, should be regarded as inseparable from our social and economic affairs.

The Treaty of Rome does not state its objective as being the political integration of Europe—not in so many words. It limits itself to the objectives of removing obstacles to trade; to developing the free movement of persons and goods; to ensuring economic progress through the co-operation of hitherto independent and often hostile States, and to the constant improvement of the living and working conditions of its people. That, it is clear from the vast amount of information given in the Reports of the Community, is certainly being achieved, and these three Communities as they at present exist are therefore invested with tremendous new powers.

One could give many instances. One might refer, for example, to the Reports of the Coal and Steel Commission on how the dangerous crisis in the coal industry has been handled within the Community. That this Community should have been able to agree—considering its present political complexion—to instruct the individual Governments on the imposition of import duties and import restrictions and to encourage even discriminatory taxation against certain fuels in order to preserve what is, after all, our only substantial indigenous source of energy—and our most secure one; that Governments of the complexion of the present Member Governments of the Community should have been able and ready to take such steps, is surely not only a revolution in political thinking but a revolution in international political action which I think we should all welcome. I say that without going into the merits or demerits of the steps taken towards meeting the crisis in our coal industry. But what powers are involved in all this! What powers of direction not only of private interests but of national interests as well! They are powers that it would have been inconceivable only ten or fifteen years ago should ever be possessed by any but national Governments.

Or we can take the question of energy; this vast new potential of our economic life, not yet fully viable, involving enormous resources for experimentation in the building of power stations, experimentation into health and safety, and the many other aspects of this great new element which cannot, and could not,

be effectively developed by any one of the countries that are Members of the Community.

Nobody doubts the need for such experimentation and development. No one doubts the need for many of the branches of this development that are now being initiated; for example, the question of the building of a nuclear-propelled ship which so far has only been developed by the United States and by Russia, which is well outside the capacity of any, or most, of the individual Members of the Community, but which now, by the co-ordination of their efforts and resources, can be made a possibility in the very near future.

The enormous activities, and essential activities, that are now going on in connection with the development of atomic energy in regard to public health and safety; the safety of the workers transporting nuclear materials; the great problem, which the Atomic Energy Commission recognises is still an important and serious one, of the disposal of atomic waste without danger to the community at large; the establishment which has now been achieved of a European system of checks and measurements of nuclear effects throughout the whole of the European Community, and the warning system covering the whole Community also in conjunction with the other international bodies concerned—these are vital things which could only be done by real and effective co-operation between the countries concerned. Again, I say that they are still frail things unless and until they are thoroughly cemented by the necessary political steps.

I take the example of cartels and monopolies. One reads with astonishment of what has been done already in this connection in the Coal and Steel Community. I welcome particularly what is said in the first paragraph on page 23 of the Ninth General Report on the Activities of the European Coal and Steel Community:

> "The old divisions based on the power of the individual States were not abolished simply in order to be replaced in

practice by new divisions based on the power of individual enterprises and their organisations."

I wonder how generally known outside the confines of the Community itself are activities of this kind. Here is a veritable revolution, political as well as economic, a revolution in the thinking of individual Governments and of the peoples forming the Community and in international political and economic practice. Yet those of us who have for many years been fighting for the enlargement of the European community have still to meet allegations that the Communities are merely a vast cover for the operation of private trusts and cartels.

In Britain, the Monopolies Commission was set up, I believe, in 1948, and it has considered not more than nine or ten cases. It is extremely difficult to have any case of alleged monopoly referred for consideration or to have any steps taken in regard to it. When I compare that performance with the figures I read in the Coal and Steel Community's Report—364 cases already dealt with in three or four years, with 292 already disposed of—I wonder whether it is possible that this, among many other activities of the Community, could be more widely known.

Another example—not the least by any means—was put before us yesterday by, I think, Mr. Malvestiti in the information he gave concerning steps taken in regard to the redevelopment of those areas, particularly in Belgium and Germany, which were affected by the coal recession and of other areas which might be similarly affected by changes in the economic structure of the Community. The planned redevelopment of these industrial areas is, surely, action taken on an international scale which would have been regarded as Utopian before the Communities had been created. Moreover, it goes outside the Community itself. This is no selfish operation. The fact that it is being undertaken in conjunction with the OEEC, with the International Labour Organisation, with the Investment Bank, with the Governments of the United Kingdom and of Austria, and with the United States Mission, is an assurance that the Commissions and the Communities are not inward-looking but are outward-

looking and ready for the expansions which such experiments show are not only possible but essential. This is effective planning not just on a national but on an international scale with powers, however limited, which have never before been possessed at that level.

These things should be an effective reply to those who seek to represent the European experiment as just another vast cartel or, alternatively, a new paradise for private exploitation. But why are the facts not more widely known? Members of Parliament and other people in my country, and probably Members of Parliament in other countries, are inundated by circulars and publications most of which are quite unreadable and far too bulky and complex to enable one to sort out the vital information necessary in order to be able to answer the questions which are being asked by our people.

The conception of a European cartel, the conception of underpaid European workers who would threaten the living standards of British workers if Britain came into the Community, the fear of the free movement of labour and capital which is so surrounded in the Treaties with provisions and exceptions that the popular picture is clearly shown to be entirely distorted, the idea that Italy is a country completely under-developed, with millions of Communist workers waiting to flood into our factories and mines to undercut the tremendously high standards of British workers—all these are, in fact, real misunderstandings and misconceptions. What are we doing to remove them?

I suggest that the forms and methods of publicity should be very seriously studied and reviewed. The essential facts should be brought out clearly to the public as well as to the responsible politicians in individual countries. In passing, although I know that it is invidious to refer to particular papers or other activities, I pay a tribute to one newspaper in Britain. Today, the only popular newspaper in Great Britain which has played a great part in presenting these facts in a popular form is the *Daily Herald*, the newspaper of my own party. But that is incidental. Many other newspapers in my country have publicised

the facts but they have publicised them not in the same popular form which is so easily digestible by the ordinary person.

There have been great and significant changes from the days of the sovereign States of the past. We know what was the result of the activities of the sovereign States of the past, disunited as they were, which brought Europe twice to calamity. Vast changes are taking place in many respects. I will give just one simple illustration of the great change in public and political thinking in these matters. It is not so very many years since Scotland and England were more regularly at logger-heads and at war than ever Germany and France have been. Today, if there is an increase in steel production in Scotland, no one in the South is worried by that at all. It is welcomed. Today, statistics are published showing not the increase of steel production in Germany as against France or in France as against Germany but the increase in steel production in the Community. Yet an increase in steel production in Germany is a threat to the British steel industry. Why should this be so? Just as the interests of France, Germany and the other countries in the Community have been merged and each is now interested in the total effort and total production, so it ought to be with Britain and other countries along with their colleagues on the Continent of Europe.

There have been vast changes, and there have been great shifts in power and authority within these changes from the concept of individual States to the concept of a new wider community of peoples. I welcome particularly the statement printed in the Report of the Coal and Steel Community and endorsed in the Report of the Atomic Energy Authority calling for the replacement of the three Executives by a single Executive. It could have been otherwise. It has often been said that it would remain otherwise and that these great new empires with their new emperors would resist any encroachment upon their individual powers. Yet today we find that all three Communities are demanding their replacement by a single Executive, but with the important proviso, which I hope this Assembly will completely endorse, that a transfer of powers from the three Executives to a single Executive must in no way be accompanied by

any diminution in the powers already existing in the separate Executives. Indeed, I hope that there will be an increase in those powers.

But we still have the problems arising from the transference of powers to a single Executive intensified rather than modified, and the question where the final political authority is to lie. I do not think that I will offend anyone if I say that there must be some misgivings about a situation in which the final powers of this vast enterprise must reside either in the Executives of the Communities or in a single Executive remote from the political authority, or, alternatively, in the increased authority of the Council's Ministers only.

But we have surely to face the logic of this quandary. If we are to have effective democratic control over this great new development, it can be done only on the basis in which we all believe and to which we all pay tribute—the method of the democratic Parliament which has control over the Executive. Why should there be resistance to this idea? I should have thought that in Europe, and even more particularly in Great Britain, where the principles of democracy have been so deeply founded over many centuries, we should not have been resisting the political development concurrently with the economic, social, and scientific developments of the Communities but should have been demanding that parallel political development should be a first condition of accepting such shifts of power.

I hope and believe that from now on, when we have reached the point where, quite clearly, my own country will almost inevitably be a full Member of the Communities within the near future—and, heaven knows, if these consultations fail the alternative will be a grim one, because we will have succeeded merely in replacing the old enmities existing between France and Germany in the past with what might become an even more potentially dangerous division of Europe on a much greater scale —and where we are now talking in terms of transferring the great power held by the three Executives into the hands of a single Executive, the main task for the Assembly, and all who

are concerned with the progressive development of the great European idea, will be to concentrate on the problem of the effective political control over the Executive which we must all surely accept in the end, and which we should have accepted in the beginning.

I very much welcomed the statement by Professor Hallstein yesterday, in which he endorsed what is already printed in the Coal and Steel Commission's Report, namely, that he and the Community welcome the application of Great Britain, Norway and Denmark for full membership. As he stated in his own presentation yesterday, he and the Community are ready and anxious to do everything possible to help these negotiations to a successful conclusion. I hope that this will dispose of yet another popular *canard* which is far too common in my own country.

But publicity for the facts of these developments is necessary. I look forward to my own country no longer being an outsider, expressing various views about the progress of our European colleagues, or even just being a potential Member of the Community, but of becoming a live and vital factor in the new Community—a Community which, in my view, offers a solution to a hitherto divided and hostile Europe and which, given further success and further co-operation from other countries not yet Members, may yet show the world the only solution which can offer humanity peace and common prosperity at last.

The Chairman. — I call Mr. Heckscher.

Mr. Heckscher (*Sweden*). — It was a privilege to listen to Professor Hallstein yesterday. I do not agree with everything that he said, but it was still a privilege to listen to him, not only because he was lucid and logical, as usual, but because his speech was, in a way, more impressive than any speech I have heard from him in this Hall before. In every sentence the speech breathed a justified satisfaction and pride in the achievements of the Community, as when he spoke in the middle of his speech about the consistent realisation of the Community

being necessary in order that Europe should meet the needs of our time. The English text is a little different, but I think that that is what he said.

Indeed he is to be congratulated on the achievements of the Community. They have been greater and more impressive than anybody expected earlier. Today, as Mr. Gustafson has pointed out, Mr. Hallstein is able to speak from a position of strength. There are others in world politics today who try to speak from a position of strength, but I vastly prefer Mr. Hallstein. Of course, the Consultative Assembly has previously been in favour of solutions other than those which are now in the offing. Year after year we have been discussing different forms of a European Economic Association, whether in the form of a Free Trade Area or a Customs Union.

I still believe that if such proposals had been accepted in 1958, 1959 or even 1960 we might today be further on our way towards the realisation of European economic integration. But there is no point in discussing that. There is no need to weep over spilt milk. At present, such proposals are not practical politics and whether or not it would have been a good thing if they had been realised, today we are discussing something different; we are trying other ways.

In his speech yesterday Mr. Hallstein also insisted on the close relationship of economics and politics, and, of course, he was quite right. Such a relationship exists, whether our co-operation takes the form of free trade areas, customs unions, or a full Community such as that for which he is speaking. This cuts both ways, however. Even the Community is still far distant from the realisation of a European federation. Personally—I emphasise the word "personally"—I hope for a United States of Europe, but I have little belief that I shall live to see it. The Community is still very far from the point where it can be called anything like a federation of European States.

In any case, whether such a federation is near at hand or distant, from the point of view of time, it must comprise West-

ern Europe as a whole. Only if it does can it have the effect of giving to Europe a real position in the world, and of giving it an attraction for the unfortunate countries of Eastern Europe as well as for those in the West. The Europe that we are trying to build must never be regarded or used as an instrument of national self-interest for any member country. Nor can we choose what we mean when we speak of Europe. Europe is there, and what we are doing must be done for Europe as such. I read in the *Dernières Nouvelles d'Alsace* yesterday that the Europeans—fortunately the word "Europeans" was in inverted commas—feared that Mr. Erhard, if he were to be Chancellor, would be dangerous to their interests because he was too pro-British. To me that is a bit surprising. Are you less European if you are pro-British than if you are pro-French? As far as I can see, both are equally important countries in Europe and both are equally European. You are just as much European if you favour one as if you favour the other.

But, for my part, I should like, using the independent position of a member of this Assembly, to speak about something different, about the so-called neutrals, not for them, but about them. It is not a popular subject. Neutrals are never popular, not even when you need them most badly; and, for my own part, I do not even like the word "neutral". I do not think it is a good word. The so-called neutral countries, like Sweden and Switzerland, are not neutral in the sense of being disinterested. They are part of Europe; they are part of the West, and they know it. Their position simply means that they do not take part in military alliances or in power politics, partly for the reason that they are frankly unable to make much of a contribution in such a field. They pay the price of remaining outside military alliances by carrying the whole cost of their defence themselves without subsidies, and the cost is sometimes rather high, as we know when we compare our defence budgets with those of NATO countries having similar population figures.

In fact, countries like Sweden and Switzerland are probably more useful to world peace and to the West in their present capacity than if they were transformed into two more dimi-

nutive members of a great military *bloc*. They are sometimes able to provide channels of communication between the Western Alliance, on the one hand, and its opponents, or the neutralists, on the other hand. They neutralise certain parts of a frontier which is excessively long as it is. As a Swede I should like to remind you that the eastern frontier of Sweden is almost exactly the same length as the whole of the NATO frontier in Europe. I doubt if anybody would stand to gain were countries like Sweden and Switzerland to change their present status, and this is a status which is perfectly reasonable and perfectly compatible with participation in the European effort, if it is interpreted in a reasonable way.

In his speech yesterday Professor Hallstein said he thought we would appreciate—"*es wird verständlich sein*"—if he bypassed the problems of those neutral countries until they had decided their policy themselves in the light of a new situation. I am sorry to say that I do not appreciate this—"*Ich finde es nicht verständlich*". How can they decide their policy until they know what the new situation is as far as they are concerned? As pointed out by Mr. Gustafson a moment ago, Professor Hallstein did not once refer to the request by all EFTA Members for negotiations. I can only hope that the Council of the Community will be more explicit when they meet on the 25th and the 26th, and that they at least will deign to answer what EFTA has written to them.

To come back to the so-called neutrals, the countries which pursue a policy of non-alliance, there are two reasonable alternatives as far as they are concerned. They could join the Community as full Members on conditions and with reservations, and only those conditions and reservations which are directly necessitated by their special position outside the power *blocs*. These conditions and reservations go no further than what could be embodied in protocols attached to the Treaty, and there are, as we all know, many protocols already attached to the Rome Treaty, some of them going pretty far. Or they might conclude treaties of association with the Community giving them virtually full economic membership, including a voice in all measures

directly related to their accession. Personally, I prefer the first solution, membership, but the second one is not an impossible one either. Both, however, require the unanimous consent of all the Members of the Community, and obviously the good will of the Commission.

But, of course, there are also, if I may say so, impossible possibilities. It would indeed be more than deplorable if all that were offered to these countries and offered to others like Austria and Finland, who for different reasons find themselves in similar positions, were to be what I would call an impossible choice, the choice between either relinquishing a policy of non-alliance or else suffering a drastic change in their economic situation through exclusion, or near exclusion, from their traditional European markets. I am afraid that not only they but all of Europe as well would suffer from the establishment of such an alternative in the case of these countries; and, of course, Mr. Chairman, for such pressure there is an ugly word, a word which should not be mentioned here.

I do not mean that these countries have a right to demand a chance to make the best of both worlds, both to have their cake and to eat it. They must also make sacrifices for Europe, sacrifices of prestige, sacrifices of sovereignty, sacrifices of economic self-interest. They must refrain from far-fetched and pusillanimous interpretations of their policy. They must be prepared to appear openly as Europeans, as participants in our joint effort. They must have courage to take risks and show good will. They must be prepared for a reorganisation of their economic life and reconsideration of their economic policies. But this does not mean that they have to drop their identity. It is by retaining this identity and still working for Europe that they can make their contribution, modest as it is. None of us is too powerful or too small and powerless to make his contribution. None of us is excused from doing his best. We do our best if we contribute jointly to our great joint effort, the creation of Europe, but do it according to our own traditions and our own capacities.

The Chairman. — I call Mr. Czernetz.

Mr. Czernetz *(Austria)* (Translation). — Yesterday we heard some impressive surveys of the present situation of the three Communities from their spokesmen, in particular from Professor Hallstein, President of the Commission of the Economic Community. In addition, we have received most interesting reports by our colleagues from the European Parliamentary Assembly of the six-Power Communities.

Despite the difficulties and problems which have, naturally, arisen in the separate Communities and in the European Parliamentary Assembly, the reports are filled with pride in the results. I add my congratulations to those of the two Rapporteurs, Mr. Gustafson and Mr. Hynd, and of the Chairman of the Economic Committee of the Council of Europe, Professor Heckscher. I think we have reason, speaking for the Council of Europe and for those countries which do not belong to the Communities, to congratulate the six States and their peoples, as well as the Executives of the Communities, on their success.

For years we in the Council of Europe stood for another conception and passed various resolutions on the subject, usually indeed unanimously. With the concurrence of all the member States, the Council of Europe first sponsored the idea of a large, comprehensive free trade area; the six-Power Community was to form the nucleus around which the other European States would be grouped.

After this project had foundered there came the idea of a variation on the free trade area theme, no longer conceived as a classic free trade area in the strict sense but as a European economic association, again with the European Economic Community as the nucleus around which the other countries would group themselves. Finally, after the formation of EFTA—an emergency association of the peripheral States, as we have always insisted in Austria—came the attempt to build a bridge between EEC and EFTA in the form of a modified customs union.

I might perhaps remark that if any of these projects had come to fruition the local success of EEC would have been no

less, but that we should then have had fuller understanding and greater unity in Western Europe. We should have advanced a step further. In view of the great local success of EEC and certain notable successes also on the part of the smaller emergency association of EFTA, the new situation presents us with just the same problems in another form. We have before us the British negotiation move, which had the full agreement of the EFTA Council, and we hope that this may facilitate progress towards an all-embracing union of the free countries of Western Europe, albeit in another form.

I do not scruple to do what politicians, at least in a democracy, often have to do, namely to say in the event of the failure —or rather defeat—of a particular viewpoint: we are beaten. I do not scruple to say frankly that our plans, first for a comprehensive economic association and then for a bridge, have miscarried; I was one of the protagonists of that conception, and now we are beaten. Those who stood for a different conception were successful. I think I am entitled to say that it is now up to those who won the argument to prove that our fears were groundless.

When I say that we are on the losing side, then I think I have a right to say that those who won the argument should not go too far. It is like advising military victors to be magnanimous and conciliatory. I think it is still more applicable to the victors in this struggle for the right conception of European unity. A dictated peace would not create the best atmosphere for Europe. I believe that statesmanship, wisdom, flexibility and compromise are better than rigid perfectionism, and that even conquerors should not evolve an arrogant chauvinism for the new Communities and institutions. I am convinced that this is no part of the intentions of the members of the European Commission. Professor Hallstein certainly spoke with the pride of a conqueror, and I cannot blame him; but I would rather not suspect him of the sinister designs I have mentioned. Yet they do exist here and there in Europe, as we all know.

The present idea is that some countries—led by Great Britain, and including Denmark and Ireland—which have applied to

join EEC will become Members after negotiation. The question of Norway's membership has been mooted but still remains open.

In connection with this new scheme there has been much talk of the three neutral States of Europe—Sweden, Switzerland and Austria—for whom some form of co-operation, probably association, is to be found.

Arguments are constantly advanced to persuade us that Europe must federate, that sovereignty must be abandoned, that political steps must be taken. I can subscribe to this in the main. But I should like to say, with all due modesty, that one of the demands and aims in the basic programme of my own party in Austria, which is still one of the two almost equally strong Government parties, is the creation of a United States of Europe. That is our platform. But it does not suggest that we can achieve it overnight, nor does it say what form a United Europe might take. It is a long-term aim which we pursue with determination and conviction.

But, looked at politically, we in the deep borderland between the two military *blocs* have certain undeniable vital interests. We Austrians—and the same goes for the Swedes, the Swiss and everyone else—did not choose our geographical position ourselves. The Opposition in Austria sometimes complain that we are relegated to the fringe of Europe. Our answer to this is that they should make an end of this tragi-comic quarrel with geography. It gets us nowhere. These are axioms of the world situation today.

We did not choose the present balance of world Powers either; and, in this world situation, the military neutrality of my country, Austria, is axiomatic. I hope I am not boring the Assembly by harping on this—I shall not keep you very long; but it is always being misunderstood. Even my friend Mr. Gustafson said that neutrality had been imposed on Austria by treaty. But that is not quite correct either.

I should like to state my point clearly. The Austrian Declaration of Neutrality was of course the price paid for the *Staatsvertrag* and the evacuation of foreign occupation troops. But permit me to say that the Austrian people paid the price gladly and freely. We did not have to: we could have refused. Then we should have been occupied today, the country would perhaps have remained divided, the Council of Europe would perhaps still have had to concern itself with the question of the East Zone of Austria. But we paid the price gladly. We knew it was the price of freedom, and it was paid of our own free will.

We did not declare our military neutrality because we thought that Austria's potential would have turned the scale in relations between the world Powers; but Austria has a strategic central position, and it was reasonable and acceptable to both *blocs* to evacuate that position. There was virtually no risk to either side in doing so.

There should be no need for me to prove that we Austrians are not neutralists. But, as we keep hearing comments, please permit me to say a few words on the subject. This summer the Soviet Ambassador made a special trip to the country residence of the Federal Chancellor, Mr. Gorbach, near Linz in order to hand him the Soviet Government's note enquiring about Austria's future integration policy; the Chancellor merely replied that the Government would deal with the question—that is all he said. On the same day the Vice-Chancellor, at a public meeting close to the Iron Curtain, on the Hungarian frontier, declared Austria's sympathy with the struggle of free Berlin. We are not neutralists! We do not bow and scrape whenever we are handed a Note. I cannot anticipate the Austrian Government: they will examine the Note and consider their answer. I do not know what they will say, or when. But there is one thing I may perhaps point out: there are fewer neutralists and fewer communists in Austria than in many NATO countries. Austria is not neutralist: but, in the present historical situation, military neutrality is a vital necessity for this free country which, sandwiched in between the two *blocs*, ardently supports the free world and European unity.

Professor Hallstein said in his report—as Professor Heckscher reminded us just now—that he preferred not to comment at this stage on the attitude of the neutrals to European economic integration, to the long-term process, as that was their own affair. But I really do not think this is enough. It is well known in our countries, after all, that there are widely differing views. One view is that association of the three neutrals with EEC is unthinkable, because it would dilute the political content of the Community. To the best of my knowledge, that is not the view of the European Commission. But it does exist. It would be most agreeable and useful to us, especially when we have to make far-reaching decisions, if the three neutrals were told something of where the Executives stand on this and which views prevail.

There are also other views. People say: very well, Austria and Finland are in a difficult position; if they want to be associated, that may be possible, but not Switzerland and Sweden, who should join NATO. I think it is useless to pass this kind of moral judgment on the destinies and historically conditioned situations of the free peoples of Western Europe. Let us take things as they are! Let us recognise how complicated Finland's present situation is and that it could become still more complicated. Let us recognize that the three neutrals in the borderland between the *blocs* must find a way to participate in the growing unity of Europe if they so wish—which they do! Hence I believe that even now there is much more to be said on that point.

We have some very concrete questions to determine. Can these association negotiations be conducted multilaterally—the three neutrals on one side and the European Economic Community on the other? Or must the negotiations all be bilateral? Must we go right back to bilateralism, although we in Europe have for years maintained that we must escape from the jungle of bilateralism! Must we go back into the jungle? Is that necessary? Or shall we find some form of joint negotiations? And when can such negotiations be held? We have got to discover all these things.

The answers to these questions should not be left to the three neutrals alone. From the other side, we constantly hear it asserted that the negotiations with Great Britain must be concluded first, after which all will become clear. There is the idea, now advocated also in EFTA, that a general settlement must be found and the problem solved by some States becoming Members of EEC and the rest being associated. That would be a different kind of solution. I confess I am in no way committed to the old idea; but we must reach a common solution and achieve what we all want.

It is far from clear—and it must be left to the negotiations—what an agreement for the association of advanced industrial countries with EEC would be like. It is true that the Association Agreement with Greece cannot be the model, for the conditions are quite different. It must be clear to us that the preservation of neutrality presupposes independence in trade agreements with third countries. I say nothing about the economic concessions demanded by one country or another, but concessions in the matter of neutrality must be made if an understanding is to be reached at all.

For my part, I ask: what is going to happen? We are witnessing the process of European unification in the realm of EEC. I now take the most favourable solution for the neutrals, one which offers us possibilities of economic expansion. Associated countries, obviously, cannot be members of the Authorities, whether executive or parliamentary; does that mean not merely that we shall be debarred from taking part in decisions but also that there will only be bodies separated off, where we can meet one another? That also means in effect—and I deplore it as a parliamentary representative of my country—that, by taking this road, we shall be reduced to second-class Europeans. Is there no other form that can be found? Are we not bound to find some other form?

Yet the original idea was that no political discrimination would be allowed to grow up in the major communal organs proposed for the wider European economic association. There

was to be no discrimination between those who can already go all the way, or at least say they can—although they are not yet doing so, I need scarcely remind you of the difficulties they are themselves having inside EEC—and the others, who are not yet even able to say that they want to and can go all the way.

We in Austria say in front of everyone: we are for the United States of Europe. But let us go to it by a way which leaves us alive! It would be of no advantage to Europe if we collapsed on the road to unity; no one could help us then. One of the main tasks will be to find a formula which allows us to co-operate as a partner with equal rights—even in a different form. It would be extremely helpful to us to receive some encouragement on this point from the Executive which has to prepare the negotiations.

We have always seen European unity in the general context of world politics. We have always supported a policy of co-existence without illusions. The saying of the former President of the United States, Eisenhower, that the only alternative to co-existence is no-existence is as true today as it was then. I have never had any illusions about co-existence meaning the end of the cold war. It was merely a milder form of the cold war, a different form of the cold war, which continues in this period of equally balanced world Powers.

As representative of a small neutral country, however, I should like to say this: we are fully aware that capitulation by the free world, by the Western military *bloc*, to the menaces of Soviet imperialism would not only be to the prejudice of those sacrified but would also constitute a setback for world freedom and—let me add— a threat to our own position.

No: let there be no capitulation! That is what we neutrals say, without either the will or the ability to join the Western military *bloc*—and without thereby weakening anyone else the least bit. I want to say this with all respect as representative of a small country. We are living in an age of equally balanced

forces, and we too are dependent on the military strength of the free world.

One should not overlook the usefulness of the neutral or uncommitted States in this world struggle. One should not bully the small neutrals which cannot join EEC but whose services have been useful to the whole of the West. The services of neutral Sweden and neutral Switzerland have been consistently useful to the free world. Austria is such a recent neutral country that I do not propose to speak of our services. But one should not bully these countries or pass judgment on them or force them into an unsuitable frame.

Even neutralists in Belgrade, with whom we certainly have nothing to do, presented Western policy with a success at their last conference, although many of them tried to back up the Russians.

The Russian pressure on Berlin and the threats with nuclear explosions have influenced the so-called uncommitted countries in favour of the West rather than of the Russians. Hence I think it is a great mistake to want to divide the world neatly into two *blocs* and to suppose that this would solve everything.

Foreign policy, then, is not moralising. Foreign policy is not bullying others because one claims to be especially good and clean and pure oneself. Each of us has had some stain on his escutcheon in the past, and perhaps still has. We will not go into that. It is not our job to clean the escutcheons. We want to see how we can co-operate in the service of the freedom of the free world and European union, however different and however imperfect we may be.

I would suggest that now, if European economic integration is to be achieved in another form, it is important to avoid giving the impression that it is merely the economic arm of NATO. That would not be the wisest course. It would be wiser and more profitable to the free world and European unity to find the

right form for associating the neutrals and to accord them a status with equal rights.

I may add that we shall all still have the problem of how to prevent Finland from feeling utterly cast out. I beg you to reflect that it would not be difficult to drive Austria into the same position as Finland. Those who want to have us in the situation of Finland are only waiting for this; you should not give them that satisfaction.

I will conclude with the observation that European economic integration is undoubtedly a political fact of the first order. It does not matter whether a treaty contains political clauses. It does not matter how far the political commitment already goes today or what assurances for future political commitments are set down in an agreement.

If we succeeded in extending the economic integration of free Europe beyond the sphere of the Six, that would be of the highest significance, surpassing the present achievements. We must recognise that as politicians. We hope that the statesmen who are shaping the destinies of the free world and free Europe have the necessary insight and understand it in time.

Our Europe is not merely an economic or power-political conception: it is also an ethical conception. The ethical conception of a European cultural community should also find its realisation in the right form of union. That simply means to hold the door open to freedom, individualism and tolerance and —when other ideas have failed—to find new forms for unity in difference, unity in multiplicity, unity in freedom based on free choice.

The Chairman. — I call Mr. Moutet.

Mr. Moutet (*France*) (Translation). — Mr. Chairman, I am glad to be still able to attend this Joint Meeting which seems to me to mark a forward step in the creation of a true and living Europe. I have the impression of being present at

the formation of a new world and this gives added interest and reason for living.

This indicates how much I enjoyed the Reports presented to us, in particular those by Mr. Kapteyn and Professor Hallstein which traced the activities of the European Economic Community over the past year.

My country began to take an interest in Europe when European discussions came to deal with economics and, in particular, with the Common Market, which gave the French people an opportunity at general elections or other meetings to realise the importance of building Europe. This illustrates the interest we feel in the discussions which take place here and in the information we glean from them.

The two eminent Rapporteurs whose Reports impressed me particularly will, no doubt, in view of their extreme competence, permit me to make two very deferential comments.

I highly approve their summary of the Economic Community's past. But its future activity seems to me to occupy a fairly restricted place in their Reports—at least as far as two points are concerned: first, the agricultural question, which is of particular interest to us in France, because in this sector we are experiencing a revolution; and, secondly, relations between the new Organisation for Economic Co-operation and Development and its probable influence on the progress, specifically, of the Common Market. Both these problems are very important and are not unrelated.

If I deal first of all with the agricultural question the reason is that your laconicism disturbs me. According to the table of your activities for the months to come I see that you are to deal with several specific aspects of the matter; but the essential problem is to work out a common agricultural policy.

According to our Prime Minister—I do not agree with all his views but I should probably be more or less in agreement

with him on this—there will be no real Europe without a common agricultural policy, and it must be introduced quickly, for we are passing through a difficult period, and these difficulties are increased with the contemplated accession of new Members.

You have rightly felt well pleased about Great Britain's application to join the Common Market. But you must realise that there, too, you will be faced with a difficult problem.

If, in the case of Great Britain, the agricultural problem is not, properly speaking, a capital one, since less than 4 per cent of its active population is engaged in agriculture—although in a democratic régime a percentage of 4 may ensure a majority! —it is nonetheless true that, for the Commonwealth countries, the protection of their British market is of primary importance and relates to a privileged agricultural market.

At the beginning of this week I heard speakers from the Commonwealth countries: they are opposed to Britain's joining the Common Market and dismayed to think that they will be forced to change the placing of their markets and that they will have to make certain efforts to achieve this.

We might tell them that we are all in the same boat, and that even our French farmers will have great difficulty in changing their traditional habits, they who for many years have been living under a system of protection and now, feeling their strength and national importance to have increased, are changing over to direct action—at a time when their parliamentary representatives meet, alas, with, I would not say contempt, but some indifference on the part of the executive.

The difficulty will therefore be considerable, and on this point I should have liked to find in one of the reports, a statement of your views on the common agricultural policy, on the conditions you think appropriate for studying it and voting it quickly.

I take the liberty of drawing your attention very seriously to certain disillusionments which are becoming apparent.

I set aside some of my time to maintaining all my contacts including, of course, those with my electors; I have attended some of their agricultural events when these were not organised purely for propaganda purposes. I have heard the most reliable and level-headed farmers say how difficult the present situation seems to them and how much they fear the competition they would have to face if a common agricultural policy were not organised in Europe.

They had been led to believe that, even in the Europe of the Six, they were going to find a common market of 175 million inhabitants as an outlet for their agricultural surpluses and now, with the accession of Great Britain, a market extended to 300 million inhabitants. But, up to the present, they have found nothing but competition, together with a number of favours and privileges for which our own country may feel in some way to blame.

But needs must!

The opening of new markets and the conditions suitable for organising them form one of our greatest preoccupations. I have heard the Chairmen of our largest agricultural federations and Chambers of Agriculture make remarks which led us to think that the Common Market was going to be the scapegoat of our agricultural difficulties. I have attempted to plead the opposite theory and, naturally, they listened to me. One can live on hope, but not for long. You will have to be convinced of the urgent need to work out a common agricultural policy if you do not wish to find yourselves faced with disillusionments leading possibly to solutions of despair. (*Applause.*)

The agricultural question is therefore for me the point on which the Assembly's work hinges. The second is the new Organisation for Economic Co-operation and Development (OECD).

I have had the honour and duty of reporting to my national Assembly the ratification of the Convention approving this

important transformation of world economic conditions, the setting up of a body where 20 national Governments will have a profound influence on international trade and exchange since the union of the sterling, dollar, franc and Deutschmark areas, not to mention the rapid rise of the Italian lira, will enable them to influence more than 85 per cent of the world market.

If the new Organisation sets itself the threefold aim of mutual assistance between all the member nations of the Organisation, of aid to the under-developed countries and of the promotion of international exchanges, it will remain an essentially governmental body and will be content with giving us reports from time to time. We must bear in mind the fact that two new, non-European countries belong to it—the United States and Canada. The United States with the party advocating free trade, or "unplanned" trade, and the minimum of State intervention and Canada whose representatives I heard last Monday at the Assembly of the Inter-Parliamentary Union in Brussels speak strongly against a common external tariff. We were able to tell them that it would not be a hard-and-fast tariff; I gave them a piece of information, confirmed by Mr. Hallstein in his verbal report, that, if not immediately at least in the near future, linear alignment of the tariff would permit a 20 per cent reduction on the common external tariff.

Now, since there will be a struggle between farmers to sell their surpluses and since the large producers, the United States and Canada, have considerable surpluses, I should like to know how you foresee the situation within your Common Market from the agricultural point of view. That is the point of these timid, modest, yet determined observations on the somewhat summary nature of your nevertheless copious reports.

The second point on which I should like to speak concerns the accession of Great Britain. Last April I had the honour to preside at the opening meeting in London of the Assembly of Western European Union, the reason being not, alas, my merit but my age.

Western European Union was created by the Brussels and Paris Treaties to deal chiefly with defence problems. Since Great Britain was there in front of us we had to point out the advantages there would be for her in belonging to the Common Market. Following the excellent report made by a British Representative, Mr. Mathew, we heard nothing but rebukes addressed to Great Britain and designed to bring her round to applying for membership.

The reply on this point did not give us the same hopes as those raised by the speeches of Mr. Selwyn Lloyd and Mr. Profumo at the earlier meetings in Paris. It seemed to us that Mr. Macmillan, the British Prime Minister, was, if I may say so, hanging back somewhat—he was at all events a little reticent —and we did not expect this sudden move which we heartily approve, his Government's application to join the Common Market. We recognise the firm-mindedness of our former colleague—I myself have had occasion to deal with him championing my own farmers.

Great Britain has applied to join, and you realise, by the importance which you attach to this application, how serious would be non-admission. You seem to nourish optimistic hopes, but the contest is not over and my reason for mentioning a moment ago the Commonwealth speakers whom I heard was to illustrate that there will be opposing forces which will work against such acceptance and accession. You will therefore encounter difficulties. But I take the liberty of recalling that, in my inaugural address to the Assembly of WEU in London, I stressed that for me the political importance of Great Britain's accession was greater than the economic importance; I do not place my faith in the equality of nuclear weapons as a deterrent force; I place it in the thought that those who might be tempted to use such weapons against us will hesitate more if they are convinced of the firmness, unity and alliance of the Western nations which might one day be opposed to them. That is the real deterrent.

Our adversaries are convinced that the conflicts inherent in the capitalistic system will maintain the present division between

our nations. This conviction, the formation, as counter to the European Community, of the Free Trade Area, seemed harsh proof of the fact. That is the belief which will have to be dissipated.

I am a partisan of community, or *bloc*, policy. If force does not meet every situation, we are nevertheless dealing with formidable opponents whose strength lies in their unity according to the old formula, and who appear to wish to have their interests respected as regards the main point, that is, their liberty.

That is why I plead with some passion—less perhaps than that which neutral nations have evidenced in pleading the cause of their neutrality—the cause of a united Europe which is essential because once more we shall be dealing only with powerful forces. When, at the Assembly of the Inter-Parliamentary Union in Brussels this week and last week, we discussed the interests of the economic and localised communities, we really felt that we might possess the means of replying to all the attacks and objections made.

The first criticism of these communities was that they formed a closed shop, that they were exclusive, that they were going to reserve privileged markets for themselves, naturally to the detriment of third countries, the most interesting of which are precisely those under-developed countries in which we refused to take sufficient interest. This theory was put forward in an Assembly where delegates from 54 Parliaments were assembled all of whom, under the direction of public opinion in their respective countries, had an important duty. The debate did not have the passionate character of the ordinary political debate. The reservations formulated made one think that the dynamism of which you had given evidence within the European Economic Community had impressed the delegates.

As far as I am concerned, I sustained the thesis opposing closed communities. Of course, membership is only possible under certain conditions, but an effort has to be made to enter.

It is easier, I said, to establish agreements, arrangements and collaboration on economic matters than on political matters. Political problems often involve questions of prestige, ideological fervour or fanatical nationalism which do not always influence economic agreements.

I have therefore pleaded, and I still plead here, the thesis by which our economic communities are to be presented as open to all and as communities with which it is possible to discuss rather than to contend. The aim of these communities is to break down the barriers which separate men and set them against each other. A start should be made with economic barriers, that is with quotas, customs dues and everything which hinders trade and the development of civilisation and furthers the interests of the under-developed countries.

Breaking down barriers, should not that be the aim of all politicians who are aware of their responsibilities, aware that greatness does not consist in winning wars, but in maintaining peace? The grandeur of politicians is measured by their success in this field and now is perhaps the time for them to think seriously of it.

That is, moreover, the theory I advocated before our Minister for Foreign Affairs, Mr. Couve de Murville, at the end of the report which I had presented to a meeting of the Senate on behalf of the Foreign Affairs Committee, a committee of which I have the honour to be Vice-President.

I asked Mr. Couve de Murville if the Organisation for Economic Co-operation and Development had not inspired a certain proposal during the meeting of the Economic Commission for Europe in Geneva. As I was not absolutely sure about the proposal which had been made I had sent him a letter asking for details and for his opinion. I am not being indiscreet by informing you of it. I had told Mr. Couve de Murville that his reply would enable me to ask an oral question in the Assembly to which I belong, so that the world would be informed of our position on the problem.

Mr. Couve de Murville replied as follows:

"In your letter of 4th July 1961, you drew my attention to a reply given by Mr. de la Malène, Rapporteur of the Foreign Affairs Committee of the National Assembly, to Mr. Cermolacce, a communist deputy, during discussion of the Bill authorising approval of the Convention setting up the Organisation for Economic Co-operation and Development. Mr. de la Malène recalled that the Soviet representative on the Economic Commission for Europe in Geneva had applied to join OECD."

The representative in question was Mr. Firioubine, Deputy Minister for Foreign Affairs of the Soviet Union. In a speech made on 14th April at the plenary session of the Commission he expressed the Soviet desire, voiced last year in the same place, to participate in working out the principles of the future Organisation for Economic Co-operation and Development, and said that he was authorised to say that the USSR was prepared to join the Organisation provided it was open to third countries and took account of the interests of the under-developed countries.

I then asked the opinion of the Government on this point and the letter from the Minister for Foreign Affairs continues as follows:

"No new fact has come to light since then. Nevertheless the differences between Western and Socialist economic systems makes it difficult to contemplate an association between the OECD and the Soviet Union whose offer made at an international meeting was obviously intended for propaganda purposes."

Mr. Chairman, colleagues, I take the liberty once more of disagreeing with my Government. Mr. Spaak said once that he who originated the formula "peaceful co-existence" had discovered a brilliant propaganda weapon.

As I repeated last Monday in Brussels, in the presence of the Soviet delegates, as long as peaceful co-existence remains a

propaganda slogan, Mr. Spaak will be right. If it becomes the subject of negotiation and agreement, peaceful co-existence will become reality.

Our European organisation cannot oppose such a proposal for we are in favour of defence and the organisation of defence, but not of an offensive organisation.

President Kennedy said, in his report on the underdeveloped countries, that "we were doing nothing against any nation whatsoever but that we called on them to co-operate." Consequently even if this is a propaganda slogan, why should it not be used as a counter to "peaceful co-existence?"

We can say that we hold hundreds of meetings for material disarmament which come to nought because confidence is absent. As long as this continues, countries will not agree to disarm. Disarmament must begin in the mind. It can be found in collaboration, and the conception of comprehensive economic communities seems to me to do much more for peace than any disarmament conference.

These, Ladies and Gentlemen, are the comments which I—perhaps at too great length—have taken the liberty of presenting to you during this most interesting meeting.

In creating Europe we must work for a better organisation of the world and consequently, at such a difficult time, let it be understood that agreement is possible on a number of points which make this better organisation possible and, with that, a better life for all men. (*Applause.*)

The Chairman. — I call Mr. Kreyssig.

Mr. Kreyssig (*Federal Republic of Germany*) (Translation). — I have listened with the greatest interest to Mr. Czernetz's speech on the problem of the neutrals. I only want to contribute a few small points to the evaluation and discussion

of our problem drawn from my experience as rapporteur of the European Parliamentary Assembly for the association of Greece.

The first thing we have to record is that it took about two years for the negotiations to reach a conclusion. In view of the political and economic developments which lie before us, it seems essential to insist that we cannot afford to let the forthcoming negotiations with Great Britain, Denmark and Ireland run on for so long before arriving at practical, constructive results.

Secondly, I should like to remark on the form in which the Agreement is set down. It is an unsatisfactory feature of the Association Agreement with Greece that it is amplified by protocols and internal arrangements which themselves amount to half the length of the Agreement proper. Anyone who reads the Agreement has to go to the trouble of analysing the supplementary declarations and protocols in order to discover whether what is written in the Agreement itself has any validity.

Having regard to the trend, which will doubtless continue, whereby an increasing number of States wish to become Members or associates, it is indispensable that the EEC Commission, whom we of the European Parliamentary Assembly definitely want to see taking an active part in the negotiations, and the Council of Ministers should produce lucid, self-explanatory agreements.

With reference to what specifically concerns European States and to what Mr. Moutet said, I wonder whether the provisions of the Treaty establishing the European Economic Community are generally known and properly understood. Article 237 provides that any European State may apply to become a Member of the European Economic Community. The fact that Great Britain has now put in an application to become a Member, with the possible consequences for one or more Commonwealth countries, will raise in an acute form the question whether we can continue with this Treaty clause which restricts membership to European countries.

Then, there is widespread ignorance of the fact that Article 238 of the Treaty does not impose this restriction. I have come across an example during discussion of the question as to whether Israel could be connected with EEC under any form, when it was objected that Israel was not a European country and that it was therefore impossible.

That is a misreading of the Treaty. It is true that Israel cannot become a full Member, because—geographically speaking—she is not a European State, although essentially much more European in character than, say, Turkey who has the good fortune to possess a small piece of territory on the European mainland and hence to count as a European country. From the cultural, social and economic standpoints, Israel would be an ideal partner for the EEC, especially when we remember the admirable contribution already made by that small, energetic land to development aid in Africa. We must therefore insist that Article 238 offers absolutely any country the opportunity of seeking association, the form of which, of course, still requires careful thought.

What Mr. Czernetz said was extremely impressive. We Europeans must on no account fall into the error of creating different classes of Europeans.

Under the Treaty, a country which becomes associated has neither seat nor vote in the European Parliamentary Assembly. In the case of Greece, the first associated country, provision is made for an Association Council which *inter alia*, is to examine in what form co-operation and collaboration at the parliamentary level, between the Greek Parliament and the European Parliamentary Assembly, is possible.

If the so-called neutral States enter into negotiations for association or if, as Mr. Czernetz hoped, the European Commission spontaneously considers how the neutral countries can be attached to our Economic Community in the context of Greater Europe, the question must certainly also be considered of the form in which we can arrange for those countries to participate

in the parliamentary and other institutions of our Communities.

That is what I wanted to contribute to the debate.

The Chairman. — At this point I shall break off the proceedings. The Joint Meeting will be resumed at 3 o'clock this afternoon, when the first speaker will be Mr. Toncic, who was to have spoken this morning.

The Sitting is adjourned.

(The Sitting was suspended at 1 p.m. and resumed at 3 p.m.)

The Chairman. — The Sitting is resumed.

Activities of the European Parliamentary Assembly (Debate resumed)

The Chairman. — The Order of the Day for this afternoon's Sitting is the resumption of the debate on European affairs.

In the course of the debate Mr. von Merkatz will address the Joint Meeting on behalf of the Chairman of the Committee of Ministers of the Council of Europe. Mr. von Merkatz will be arriving from Bonn and is expected to be here at about 4 o'clock.

I now call Mr. Toncic.

Mr. Toncic (*Austria*) (Translation). — The fact that the Consultative Assembly and the European Parliamentary Assembly are sitting together perforce involves some modification of the subject-matter debated. That was demonstrated clearly this morning by the discussion which, so to speak, suddenly blew up over neutrality and the position of the neutrals. Such a discussion would never have arisen at an assembly of European parliamentarians within EEC, if only because neutrals could not have taken part.

At the same time it is very interesting for members of the Consultative Assembly to hear the views of members of the parliamentary body of the European Economic Community; it is quite understandable that a subject like neutrality may be felt to be remote, or out of date, or even, as one colleague said, distasteful. Indeed, twenty years ago neutrality was retiring into the background. It was only the abandonment of the idea of "one world", which may have stood some chance of being realised after the world war, that has led to a revival of the institution of neutrality.

In arguing over the best way to unite Europe—the EEC's "lodestone" theory, as it was called this morning in the Christian Democrat group, or some more flexible approach—certain facts persist clear and indisputable through all differences of opinion.

In the first place, history teaches that the European continent and the community of European peoples can only resist the pressure from non-European Powers if Europe has the predominance, if it is stronger than the others. That does not mean that this strength must be constantly employed; it simply means that it must be there.

The second fact is that the Community of the six States does not by itself constitute a Europe capable of withstanding the pressure of the non-European world. A Europe of 180 millions is not enough. We must have a union, at least an economic one in the first stages, of 300 million Europeans.

Once we have argued the matter out to this conclusion, it follows that a policy which, intentionally or unintentionally, theoretically or practically, caused us to stop at the Europe of 180 millions would not realise the aim of European integration.

Hence, whether it conforms to a given political line or not, we are obliged to pursue the policy which is at the time best fitted to unite all the 300 million Europeans.

It may indeed transpire at this point that a jump from 180 million to 300 million united Europeans—especially if there are political commitments—is acceptable to the Americans only if they, and also the Canadians, belong to a similar Atlantic community as a further development of OECD. If so, we must of course accept such a development. For there is no reason why European integration should stop at the geographical frontiers of Europe. If it automatically reaches out towards an Atlantic community, so much the better.

Now for the third factor. I believe it is an illusion, which could have disastrous consequences, to suppose that continental Europe—in the present context, the European Economic Community—could ever be in a position to force anything on the Commonwealth and, in particular, on Great Britain. Such a view seems to me the acme of political confusion, and quite illusory.

But once we realise that the British Empire, and in particular Great Britain, cannot be compelled to follow a given policy, it also becomes clear that any policy is completely misguided which would tend to weaken in any respect the ties between Great Britain and the Commonwealth. Any diminution in the significance of Commonwealth cohesion and unity would be damaging not only to Great Britain and the Commonwealth but also to continental Europe. The triumph of bringing Great Britain into Europe after having destroyed the overseas position of the Commonwealth would be a Pyrrhic victory, with calamitous consequences for the European continent itself.

We must never allow a policy to be pursued which is not in conformity with the material and moral position of the British Commonwealth and with Great Britain's position in the world.

This morning, with the extension of the debate to subjects transcending the six-Power Community, we talked about the neutrals.

Now, I admit that neutrality, especially after the evolution it has undergone in the last two or three decades, is very difficult for outsiders to understand. This is due very largely to a sort of instinctive aversion arising from a confusion between neutrality and neutralism, or else from the airy assumption that neutrality is liable in practice to grow into neutralism—even where there is no such intention.

I should like to draw an important distinction. There are some neutral States which are not committed to neutrality by any specific legal instrument. Sweden is a case in point. For Sweden, neutrality has been the foundation of foreign policy for 150 years, just that.

It is quite another matter in Switzerland and Austria. Here there are acts of State, which have been notified to the community of nations and recognised by them. Thus there is a juridical relation between the community of nations and the neutral States in this case.

Such States are the permanently neutral countries. Even in peacetime they are bound to do nothing which could preclude a declaration of neutrality in the event of war or impede the fulfilment of obligations under the law of neutrality. The position, then, of these two countries—Switzerland and Austria—is that specific legal instruments exist.

Allow me now to make three assertions which I believe to be essential for the continuance of our discussions.

The status of permanent neutrality, a peacetime status, is —as I have already said—anchored in a legal instrument recognised by the community of nations, without whose consent it cannot be repealed.

Hence it does not lie wholly within the discretion of the two States to make a change. Not only have eighty countries recognised the status, but none of those eighty countries has ever demanded that the status should be weakened, modified or

repealed. On the contrary, we constantly receive the advice to maintain our neutrality at all costs.

The second point is that the regular legal implications of permanent neutrality are not amenable to personal opinion or elastic interpretation; they are established facts of the Hague Convention, the customary law of nations and the logical consequences that follow therefrom.

I say this because I sometimes get the impression that many of our colleagues think that this permanent neutrality can, as it were, be interpreted, that one can be more or less strict about it, that one can imbue it with more or less political content.

That is absolutely wrong. The status of permanent neutrality is meticulously laid down in the instruments of international law in question, and there is no room for difference of opinion or variety of interpretation.

Thirdly, the only debate point is whether and how far the institution of permanent neutrality appears to be reconcilable with integration of a supranational type, as opposed to other forms of integration. It is certainly consistent with every other form of integration; supranational integration, which involves majority decisions, is the only kind that gives rise to legal problems.

A constructive European policy in this field has therefore to consider the following question : if we want to extend European integration to neutral countries, how, on the one hand, can we safeguard the status of neutrality, for whatsoever reasons it may be necessary, and how, on the other hand, can we enable the neutral countries to participate in integration?

A solution is not possible on the basis of "either-or", but only on that of "both-and".

You will appreciate that, eschewing polemics and sensationalism, which I, personally, regard as an unfortunate approach,

we have racked our brains over the shape which an agreement between a permanently neutral State and a supranational economic community would have to assume. The economic part would certainly have to be variable; it would not be the same for Sweden as for Switzerland or Austria. But there are certain legal premisses which must be observed in all three cases—for Switzerland and Austria because there is a status established by law, for Sweden because neutrality is a principle of foreign policy which the Swedes wish to uphold of their own free will.

I should like to list six points to watch if an association agreement between a permanently neutral State and a supranational community be workable.

In the first place, the agreement must be confined exclusively to customs measures, *i.e.* to a harmonised or uniform external tariff combined with the demolition of internal tariffs with a view to an all-European customs union.

The first requirement is laid down because, according to the generally recognised principles of international law, a customs union is unquestionably consistent with the maintenance of neutrality. The evolution from customs union to economic union is best left to parallel measures by the international community, on the one side, and the permanently neutral State in question, on the other.

Secondly, a permanently neutral State cannot belong to any community institution which acts by majority decision, nor can it assume a conventional obligation to comply with the decisions of the community institutions. The emphasis is on the word " conventional". Whether the neutral country in fact voluntarily associates itself with such decisions is another matter; but it must not enter in advance into a conventional obligation.

Thirdly, if common association organs should be set up, the permanently neutral partner must be allowed to make a reservation of neutrality in essential questions.

Fourthly, a permanently neutral State must be accorded the right—I only say the right—to limit its exports even to the Community countries and to impose controls and quotas on imports from those countries. That is simply the so-called *courant normal* introduced by Switzerland during the Second World War.

Fifthly, in matters affecting neutrality, the relation of association must not be subject to rulings by the Court of Justice of the Community.

Sixthly, such an association agreement must be revocable.

If, then, an agreement between a permanently neutral State and a supranational community of States fulfils these juridical conditions, there will be no obstacle to an ever fuller economic integration.

I would add one more comment. Do not take the result of this enquiry to mean that its object is to make difficulties. Its object is rather to remove difficulties. For economic co-operation cannot be achieved if the agreement is not legally sound.

Hence it will facilitate the extension of economic co-operation to the whole Continent if we adapt ourselves strictly to the legal facts, in other words demand nothing more than is necessary; but we *must* adapt ourselves to what is necessary. That can best be attained if comprehension and good will are shown also by the supra-national community.

I insist once again that I am flatly opposed to dramatising these issues. They are much clearer, much simpler, much more practical than people imagine; the virtue of a debate such as we are having today, and of the studies now being carried out on a growing scale, is that we really can advance from mere discussion to a dispassionate investigation of the details.

My task has been to provide you with some materials for your reflection on a matter which will inevitably acquire added importance in the future.

The Chairman. — I call Mr. Albu.

Mr. Albu (*United Kingdom*). — On behalf of the British delegation at any rate, I should like to thank Mr. Toncic for his references to the overwhelming importance of the British link with the Commonwealth countries. I have to point out, however, that these links are not based on treaties, and perhaps even the economic ties are lessening, as they are based on history and the acceptance of British political and administrative traditions and should not, therefore, on those accounts at least, interfere with the accession of the United Kingdom to the Community.

On the other hand, we are here dealing with a European organisation, and I do not really agree with Mr. Toncic's remarks about the extension of a European organisation for the time being to wider groupings such as, for instance, Atlantic groupings; I think that is very much in the future.

Most of the British delegation, I believe, would like to express thanks to the members of the European Parliamentary Assembly and to the other organs of the Community for the welcome they have given to the British Government's application to join the Community. It was said, I think by Mr. Kapteyn this morning, that this is a great change in British policy, but, after all, was it not a very great change for the countries to form the Community themselves when they entered on these negotiations some years ago? This is a radical change in the European position, and, of course, the isolation of Britain from Europe, to which Mr. Kapteyn referred, has been grossly exaggerated. Apart from the fact that we acquired—some say enjoyed, others say suffered—an aristocracy which came originally from what is now France and which occupied and divided our country, we have a monarchy which originated in what is now Germany. And there have been very few years in the last 500 years when British troops were not on the Continent, and Western Europe as we now know it would not exist in its present form had not Britain been there in 1940. These facts are sometimes forgotten, and it is also sometimes forgotten that we in Britain are still tied to Europe by treaties as we have never

been tied before. The truth is that Britain has always been part of Europe.

It is true that the policies of successive British Governments have not always been clear either to our allies or to our enemies, and sometimes have not always been clear to ourselves. This is the penalty of having had for many years a system of Parliamentary Government. It is not for me as a member of Her Majesty's Opposition to defend the policies of the Government over the last few years. I think that they have been faulty and unclear in their purpose, but the truth is that the decision that the British Government have now taken is, I believe, getting increasing support in my country, even though in the two main Parliamentary parties there are clear divisions of opinion still running across parties. Nevertheless, I think that political opinion is coming round very strongly and genuinely in favour of the decision that the British Government are now taking. As I say, I believe that this support for the decision is sincere, and should reassure those in the Community who fear that Britain's application might be intended—and some have even suggested that it is intended—to hold up the development of the Community. It is made very clear both in the Reports from the Commission and by the Rapporteurs of the Parliamentary Assembly that they are not prepared to see any holding up of the development of the Community, and we do not want them to do so.

I can well understand that the Members of the Community wish to be reassured that in applying for membership we do not wish to change the basic objectives of the Treaty of Rome, but I do not think it was entirely necessary to read us the sort of lecture that I rather thought I heard in the concluding remarks of Dr. Hallstein yesterday. The spirit of his opening remarks, in which he seemed to welcome our application, seemed to be slightly in conflict with the closing part of his speech. I do not think it unreasonable that Her Majesty's Government should be asked to make clear the safeguards they feel to be necessary in connection with Britain's application to join, but I hope that the request to make more clear and precise the safeguards we feel are necessary if we are to become full Members of the Com-

munity will not be made into an impossible condition, delaying the negotiations over an undue time.

I am quite sure that it is perfectly right that the Community should refuse to compromise its high ideals and ultimate objectives, but we are all aware that the methods of carrying out these objectives—and even the objectives themselves, the actual ends—are not agreed in the countries of the Community. I very much agree with the very interesting and wise words spoken by Mr. Heckscher this morning; the protection of these ideals and objectives in the discussions that are now taking place between the countries applying for membership and the existing Members of the Community should not be used to cloak the vested interests of individual nations, however legitimate those vested interests may be. In these discussions we must have our cards very clearly on the table and, when we are discussing objectives and ideals to which we, or, at any rate, many of us in my country are prepared to agree, we must be clear that these are not used to make it more difficult for us to join an association when the real objection is something concerned with an interest of a particular country.

I realise that negotiations of this sort are bound to take time. I only hope that, while they are going on, there will be established some means of close consultation with the countries which are applying, giving information to them about what is taking place. They cannot, of course affect the decisions which the Community takes because they are not Members and they have not legal standing; but it would, I think, be helpful, since it is expected that these countries will become Members and since, as I believe is true, they are all applying in good faith, that they should be kept in touch and informally consulted so that they may adjust their policies in advance of the time when they do, in fact, become Members.

I turn now to some of the problems with which we in Britain are confronted in applying for membership. They are very well known. As Professor Hallstein said yesterday, they have been brilliantly reported and discussed in the British Press

during the last few years. There is almost a surplus wealth of information about them. I take first agriculture. I think I am right in saying that in Britain it is not considered that there would be many difficulties for British farmers as producers if we were to enter the Common Market and be subject to the same conditions as the farmers of the member countries. There might be difficulty for horticulturists. The problem for consumers has, I think, been to some extent exaggerated. I believe that the alterations in methods of price support, although this will, of course, depend on the policy adopted by the Community, need not necessarily seriously raise the cost of living.

There is, however, a much bigger issue which does not seem to me to be greatly discussed within the Community. At least, we do not hear much about the general principles of any such discussions. I refer to the question how far Europe, or the Europe of the Community enlarged as it may be, will try to become a self-supporting food area, and, if so, at what price. I do not believe that it is in the European interest to pay dearly for Europe's food and in the process ruin countries which have become traditional suppliers of food, countries such as New Zealand, which are too small or which have populations too small for them to become industrial countries or to have really balanced economies. I have mentioned New Zealand. To some extent the same applies to Denmark, although, of course, if Denmark becomes part of the Community she will not suffer the industrial disadvantages of a small nation like New Zealand.

I come now to the problem of tropical products. In defending the views of the Community and supporting the idea that Britain should enter or should apply for membership of the Community, I have in my own country said that I believe that the political ideals of the Community in respect of developing countries which have been very freely and strongly expressed would ensure fair treatment for those Commonwealth countries which are producers of tropical products. It would make a complete nonsense of all the ideals that the Community has expressed hitherto about the need to help developing countries and the need to assist their democratic progress if, in admitting

Britain, the countries of the Community were to render bankrupt the economics of those countries previously British colonies and now members of the British Commonwealth. I hope that I am right in this belief. I appeal to the political idealism of the Community, if to nothing else, for fair treatment for the Commonwealth countries which are producers of tropical products. Obviously, they must be treated in the same way as similar countries associated with existing Members.

I myself was very glad to see the growing interest in the Community and also in the Council of Europe itself in the problem of the stabilisation of commodity prices. I regard this as one of the basic questions when we are dealing with countries which are the producers of goods of the type to which I have just referred and which very often rely almost entirely on them, having very low standards of living.

The industrialised countries have a self-interest in this matter because, so far as they do not deal with this problem, they only increase the pressure on these other countries to produce for themselves behind tariff walls the very industrial products which previously have been supplied to them. In any event, they will start exporting manufactured goods and commodities, particularly the simpler ones, and we in the industrialised countries of Europe must be prepared to accept these goods, particularly the simpler goods, as Britain has already done in respect of cotton and clothing from Commonwealth countries.

Again, the idealism so frequently expressed in Europe about our desire to help the developing countries would become a complete mockery if we were not prepared to accept from them manufactured goods of the simpler type as soon as they start to manufacture them.

This is a very urgent problem for the industrialised countries of Europe, a problem which they have to face by working out policies which will enable them to accept increasing quantities of goods from the developing countries. I am sure that it is the sort of problem which will play an increasing part in our

thoughts. What we must have absolutely certain and make perfectly clear is that the development of an Economic Community in Europe is not, as was sometimes feared in some of the developing countries, a means for establishing an organisation for putting up bars against the import of their manufactured goods. If that idea should ever become current, all the idealism, all the talk about a desire to help the developing countries in order to keep them free from Communism and so on, would sound completely hollow and be of no effect whatever. This is something which we must seriously face.

Naturally, the debate so far has turned to a large extent on the position of countries not applying for membership, particularly the neutral countries, which have certainly given a good account of themselves during the debate. I hope that some of them will feel free to apply for membership. Obviously, very special conditions must apply to Austria. I am not sure that all the conditions which Mr. Toncic laid down for the adherence of his country—which may well be necessary in view of its special treaty position—would be necessary in the case of the other countries. The Community is at present an economic association, and, so far as I can see, there is no reference to anything else in any of the documents which we have been discussing. I should have thought that the neutrals should be willing to give up some sovereignty in these matters, although I realise very well that there are difficulties, particularly in connection with matters like defence expenditure and so on.

I must refer now to something about which Mr. Hynd spoke this morning, that is to say, the dangers and difficulties of maintaining parliamentary democracy in a vast political unit of two or three hundred million people. If the powers of the Commission are to grow and if they are not to be subject to Ministerial veto—we listened with interest to what Professor Hallstein and Mr. Kapteyn had to say about this yesterday, and I agree that they should develop in that way because I do not happen to be a liberal free trader but I believe in some planning of the European economy—then sooner or later the Commission, which, after all, is an executive body, must become responsible to a

directly elected Parliament. If not, the Community will become a technocracy—however benevolent a technocracy may be—not a democracy.

We have been interested in Mr. Kapteyn's Report on the activities of the European Parliamentary Assembly. I have read a good many documents and studies made on this matter, and it is obvious to me that the present position is unsatisfactory for one reason, if for no other, that the Assembly does not represent the electors of several of the member countries. Whether we like it or not, this is a problem which we must all face. If we are to have a Parliamentary body it must represent the electors.

These are problems which have to be faced, and which may for the time being hamper the independent development of the Commission. We have to strike a balance between the efficiency of the Community as an economic planning organisation, and the maintenance of democratic institutions. I do not pretend to know what the final answer will be, but I would not have thought it beyond the wit of man to work out new constitutional forms suited to the twentieth century and to the broad purposes of the European Community.

Whatever my criticisms of Her Majesty's Government may be, I believe that they are entering these negotiations honestly, and with considerable support at home. There are many, both inside and outside Parliament, who are watching to see the way in which these negotiations will go. There are obviously limits beyond which no country applying for membership can go in the sacrifice of its own interests or those of other countries to which they are morally, if not legally, committed. I do not believe that in the case of the United Kingdom these limitations are in any way in conflict with the basic intentions of the Treaty, although they may be in conflict with the interests of some individual countries. I hope that negotiations can take place swiftly, and in good faith on all sides.

The Chairman. — I call Mr. Vos.

Mr. Vos (*Netherlands*). — We are having this debate on the date that one of the oldest Organisations—OEEC—is being dissolved and is going into another Organisation, OECD, which is an Atlantic Organisation. OEEC was one of the first European organisations to be set up after the war, and its work has been very fruitful. But it has not proved possible to unite Europe in the sense that we wish.

Let us consider the reason why, after the great deal of work that OEEC did, it did not become the heart of a new Europe, with all the countries of Europe in it, which is what we need in the long run. I think that two of the factors in the failure of OEEC in this part of its task have been of the utmost importance. First, it has been simply an organisation of Governments, and, secondly, it has not contained any parliamentary system. When we consider the fruitful work that this Organisation has done in the past, we realise what a pity it is that the absence of a parliamentary body has hampered its development.

Some years after the establishment of OEEC we set up the Coal and Steel Community. Six countries, this time on economic and political grounds, formed that Organisation. We all knew how the German coal and steel industry had supported Hitler, and we did not mean to allow this conflict to arise again. We thought that it would be possible to overcome this problem and to create a more united Europe, with more solidarity between France, Germany and the other countries, if we founded a supranational body with a Parliament which looked after its work.

The difficulty of the Coal and Steel Community was that it was merely a Coal and Steel Community. Let us consider what has happened in all the years that the Community has been established. We may ask ourselves whether the relation between coal and steel has been the best possible one, because we are now faced with the difficulty that oil, gas and atomic energy have become much more important in satisfying fuel requirements. Coal is now of less importance in its application to energy. The trouble in Europe today is not the question of steel, but of energy problems. The Coal and Steel Community did a lot of

work, but in the time of depression it has great difficulties in solving its problems, and in recent years its supranationality has not been as high as it was in the first years of its work. I say this only because I believe that the question of the way in which the economy develops is an important thing to the European Economic Community today.

I did not have an opportunity of listening to Mr. Hallstein, but I read the report of the speech that he made yesterday. I must say that the position he took up was, in my opinion, something too much of, to use a German expression, *Wir haben es herrlich weit gebracht*. I believe that part of the achievements of the six countries working together results from the boom period in which we live. We have yet to see the EEC doing its work in a period of depression. We have not had that yet, and we should not look on any body as having succeeded until we have seen it working both in boom and in depression. I say that because the difficulties facing EEC in, for example, the agricultural economic field are not very small. I naturally do not say that the creation of the European Economic Community did not influence the boom period. The creation of a greater market drove investors to invest in that greater market, and part of the boom is the creation of the Market itself. We must not, however, overlook the fact that it has existed for only a small period of years, and when I subtract from all that is said about the expansion of EEC what has come out of the boom, I will not say that it is unimportant, but I should still like to lessen to some extent its importance and not to give too strong an impression of the work and the foundation of EEC.

Having said all that, I yet believe that the foundation of EEC has been of the utmost importance to Europe. We cannot ever arrive at a united Europe without having foundations of the character of the Community. I also stress the point that in the EEC there are supranational elements. I would also remind representatives that there is within this Joint Meeting the Parliamentary Assembly of the EEC, which is a body for real work, which presses forward the EEC and canalises its activities. That is all as it should be within a democratic society. Yet the supra-

nationality of the EEC should not be exaggerated. We have supranationality in trade policy; we need that, because we have a Common Market. We have a common outer tariff, and we shall have no inner tariffs in due course. We have written into the Treaty of Rome a common agricultural policy, a common transport policy and a common policy in regard to cartels. But for some very important activities of the State, for example, financial policy, monetary policy, economic policy as a whole, there is no common policy in the Treaty itself.

There is a policy of consultation, of co-ordination, but it is not the Economic Commission that makes that policy. It is a system of consultation and co-ordination. That is not bad in itself, but it is not something of a supranational character but of inter-governmental character. I say this because there is outside the EEC a great deal said about the supranationality of the EEC as though we already had today one united State of six countries. We are far from having that today, and we will not have it tomorrow, and to have it we would have to change the Treaty very profoundly. I do not say that I would not like to see this change—that is another question. But as we are in it today we are in it with this amount of supranationality and this amount of inter-governmental policy.

After having formed the EEC, there followed the negotiations in the Maudling Committee, negotiations which failed because, perhaps, they did not last long enough. If they had gone on for perhaps a year more they might perhaps have succeeded. After the formation of the EEC and after the failure of the Maudling negotiations, there was the formation of EFTA. I will not at this moment talk about Portugal. Within the seven countries Portugal was a strange figure, both politically and economically; politically not having a democratic system and economically being far behind the other States of EFTA. The other six countries of EFTA are very highly industrialised, as the six countries of the EEC are highly industrialised. For my part, and as representatives will know from the debates in the Consultative Assembly of the Council of Europe, I have always thought that there might be the possibility of uniting these twelve industrial

States of Europe and having the other States as associates of one or other group together in one association. Then we would have had in one organisation all the countries of Europe and we would not have had the division that we now have in EFTA between Member States of the EEC and associated States of EEC.

However, after the decision of the Government of the United Kingdom to open negotiations with the EEC, we are on the other road. We are going perhaps towards a greater unification of Europe, not by way of forming a new association, but by way of strengthening the EEC by new Members and by association.

Next week we shall have the decision of the Ministers of the EEC, an inter-governmental decision of the six countries acting each one on behalf of his own country. I hope and expect that negotiations will be opened, but it is not only a question of whether negotiations will be opened, but how they will be conducted. Nothing is said about that in the Treaty of Rome. When one looks at Article 237 of the Treaty, one finds that there must be negotiations, but there is provision for only one applicant at a time. At present there are already three applicants for membership. How will the negotiations be co-ordinated? That is one of the questions that the Ministers of the EEC will have to decide at their next Session. Nor is anything said in Article 237 of the Treaty about what will be the role of the European Commission and what will be the part of the supranational body in these negotiations. Will it be only something like a working party, carrying out studies and then giving the results of those studies to the Ministers, or will the Commission sit at the table to take part in the negotiations itself?

I do not know what will happen, but I hope that two things will happen. First, that negotiations will be agreed to; secondly, that the European Commission will take part in the negotiations and that the negotiations will be co-ordinated at one table. I say that for one reason; if there is one series of negotiations after another and one treaty after another, it must be remembered that all the treaties will have to receive parliamentary ratification in each country, under the provisions of Article 237. If there

are first negotiations with Great Britain and Great Britain becomes a Member of the Community and then there are other applications and a reopening of negotiations with other countries, one after another, the whole process will last a very long time because it will be necessary all the time to obtain parliamentary ratification in each case.

There is one other question. In the EFTA communiqué it is stated—and I agree with it—that the countries of EFTA hope that at the same time as Great Britain becomes a Member of the Common Market there will be a solution for all the other countries of EFTA.

I should like to stress, with regard to the countries that talk about association because of their position in the political field, that if they do not ask for association on the basis of Article 238 today, it will be very difficult to have the negotiations under Article 237 and Article 238 co-ordinated, and that if they wait until Great Britain, Denmark and perhaps Norway and Ireland have joined the Common Market, then the negotiations will perhaps be for them on the basis of take it or leave it. That is the difficulty that they are in. They should try to influence the negotiations now at this time.

Therefore, just as I ask the Governments of the Six to have common negotiations with all the applicants, I would ask the countries of EFTA not to wait with their application for association or membership as the case may be, too long, because to do so would not be either in their own interests or even in the interests of the European Community.

I say this, Mr. Chairman, because we have to look at the work of the EEC. When the year ends there will have to be not only a decision with regard to negotiation with the other countries, but also a decision whether or not the first part of the transition period will be ended. It was expected that the EEC would decide that the first part of the transition period should end on the 1st January of next year. Therefore, if this should become true discussions will be much more difficult if the nego-

tiations drag on too long and it will make much more difficult the whole work of the EEC.

I dwell upon this question of the time-table because part of the negotiations will be about the time-table for the new reductions of tariffs. The final objective is that we should have no tariffs at all. Today the six countries are already on 60 per cent of their normal tariff and perhaps next January it will be 50 per cent. — I do not know. How will the others follow up and in what time? That will be a question of negotiation. The outcome will have to be that after the transition period that was set in the Treaty of Rome and in the EFTA Treaty, eight years from now, we will have no tariffs in Europe. Therefore, it would be a good thing if negotiations could take place very soon and not last too long.

The other important question in the negotiations will be what to do with regard to the Treaty of Rome itself. Here also I would give a warning to all the countries outside the Six. I feel that they should not try to amend the Treaty of Rome too much. Naturally there will have to be amendments in the institutional field, but they should not try to amend the Treaty of Rome too much because that could create difficulties in different countries. They should proceed as much as possible by way of protocol. I say that because in the negotiations between the Six that led up to the Treaty of Rome there was a great deal of negotiation in regard to protocols. When I look at those protocols today, I cannot help feeling that many of them were not necessary, although they were added to the Treaty at the time. I hope that much the same thing will happen in regard to whatever protocols are added to the new treaties between the Six and the other countries. Although there may have to be protocols, they may well not prove significant in the end. In any case, to proceed by way of protocol is better than by amending the Treaty, which is a long and difficult process.

I will not go into various other difficulties, such as the question of agriculture, the question of sovereignty which was talked about so long and sometimes so drearily in the House of

Commons without knowing what was in the Treaty of Rome about sovereignty. I believe that these questions of Commonwealth, of sovereignty, of agriculture and of the EFTA countries can be solved, and in the Report that I made to the Consultative Assembly of the Council of Europe I tried to point to some solutions for it.

The next thing is to open the negotiations and to try to find a way for Great Britain and the other countries to come into the European market. Perhaps I should at this stage make one remark on that aspect. With regard to the countries that have not yet applied for membership and which perhaps will not apply for membership in the future—Sweden, Switzerland and Austria—I must leave the decision to join or not to join to them. It is for them in their sovereignty to take a decision and I will fully respect their decision. I only hope that they will look not only to the interests of their own countries but to the future of Europe as a whole and that they will take that into account in coming to their decision.

We for our part, from the point of view of the European Community and perhaps from the point of view of the greater European Community of the future, will also have to look to the greater Europe and try to find ways and means by which those countries can be taken into the system of European unity in one way or another. I leave to the future, and to the fight that we shall have to make in the future, the character that the new EEC will have. For my part, I will only say that I shall fight for a real United States of Europe, and it will be up to the Members of the new EEC and the associate Members of the EEC in due time to join in that fight. It will be for EEC itself and for the Member States of EEC to decide whether they will take this line, because in order to take this line it will be necessary to have a real amendment of the Treaty. The foundation of a United States of Europe is not a question of a protocol to the Treaty of Rome. But all that is something for the future.

In taking that old line which I have always taken, and which I hope will in the end prove to be the right line for

Europe, and in looking forward to one united Europe, united economically and politically, I want to say that I leave it to the countries themselves to make their decision, but I hope that I can influence the decision in the way I have indicated to a future united Europe.

The Chairman. — I call Mr. Santero.

Mr. Santero (*Italy*) (Translation). — I want especially to thank our two Rapporteurs for their excellent written reports and the interesting speeches to which they treated us yesterday. I am going to make a few remarks now, with particular reference to Mr. Junot's report.

In Chapter II of his report Mr. Junot set down the conclusions of some interesting reflections concerning the functions of the Consultative Assembly and the European Parliamentary Assembly in the present and in the immediate future. I agree with Mr. Junot that the real problem is still the unwillingness, more or less disguised, of national Governments and Parliaments to relinquish some of their powers to the European institutions, in spite of so many official declarations on the necessity of European unification.

Mr. Kapteyn, the other Rapporteur, also drew attention to this contradiction yesterday. The attitude is inconsistent with the ground that really is being gained in public opinion by the conviction that European unification is the only road to salvation for our countries and our civilisation in the world of to-morrow.

Mr. Junot, in his detailed study of the behaviour of our two Assemblies, says that their members are moved by the same determination, the same desire, to realise an ideal purpose, although by different means and at a different pace. He also says (quite rightly) that identity of personal views as to the method and tempo of the process have become so important as to bring together men of different political tendencies and, sometimes, to oppose men who sit on the same bench in their

home Parliament. Finally, he welcomes the essential unity of thought of the members of our Assemblies and adds the hope that, with direct elections, it will still be possible to keep our Assemblies clear of *saboteurs* of the idea of the economic and political unity of free Europe, that is of Communists.

I also hope (as who does not?) that the individuals consistently hostile to our aims who get into our Assemblies will be few; but if that is the price to be paid for direct elections, I think we can afford to pay it. In any case, such persons, being necessarily in a feeble minority, could not so much hinder our proceedings as make them more lively, and perhaps more effective.

On the other hand, there are much stronger grounds for the anxiety displayed by both our Rapporteurs about the limited powers of our Assemblies. Both Assemblies seek greater powers in order to serve the cause of European union with success. For some time the Consultative Assembly has been asking insistently but in vain for real, even if limited, powers. And the European Parliamentary Assembly is insisting more energetically and with a better chance of success on having a wider sphere of competence and greater powers than at present.

The final statement of the Conference of Heads of States and Governments at Bonn on 18th July 1961 contained a promise and a hope. I say a promise and a hope, but we must wait for the words to be matched by deeds.

It is in the interest of all democrats that parliamentary control over the work of each international organisation and conference should be strengthened. Such work is prepared by an international bureaucracy which—it must be acknowledged—is able and conscientious, but which has no direct responsibility to the people. And since it is often difficult for national Parliaments to follow the work, and they are generally called upon to ratify agreements already concluded, it is logically up to our Assemblies to follow the work of the international organisations and the Communities.

But it is essential, too, that our Assemblies should be consulted in time, that they should be consulted frequently and —this is the crux—that they should be asked not merely for advisory opinions but for binding opinions.

Chapter III of Mr. Junot's report deals with the question of the EFTA countries' accession to or association with the EEC. Then yesterday the two Rapporteurs and the Presidents of the European Commissions and the High Authority—especially Mr. Hallstein—and today many if not all the speakers dwelt on this important problem. It could not be otherwise; at last year's joint meeting also, even though the subject down for discussion was Mr. Martino's report, packed with information and suggestive points, almost every speaker confined himself to commenting on the existence of the two European economic groupings, the danger of a political split in Europe as well and the search for ways of curing that state of affairs.

All this goes to show that it is no exaggeration to say that the entry of other Council of Europe member countries into the European Economic Community really constitutes a landmark in European history. I believe that Great Britain's decision should now be regarded as an irrevocable political decision. The discussions, which have lasted over six months, between experts and representatives of the British Government and representatives of the Community countries must have convinced both sides that final agreement is possible.

Our British friends also know that the Economic Community represents a step on the way to a political community. We parliamentarians have reiterated this on every occasion for the sake of sincerity and clarity and in order to obviate any misunderstanding; and again, on 31st May 1961 in London, the Assembly of Western European Union passed an almost unanimous recommendation asking the Council of Ministers to initiate discussions with a view to expediting an agreement providing for the accession of the United Kingdom to the Community without weakening the political content of the Treaty of Rome.

In other words, people were and are saying: the Europe of the Six is an open community but, whoever joins it, it must remain a community.

Similarly, we certainly cannot suppose that the Ministers of the Community countries have failed to be frank with the British Government. We can therefore be virtually sure that the official negotiations about to start will not meet with the same lack of success as the Maudling Committee's negotiations. Indeed, such a failure would be a severe blow to the process of European unification—and not only this, but, as Mr. Junot said yesterday, a real defeat for the politics of the free world.

In my view, the chief task of our Assemblies is to create a political atmosphere in which the experts will now feel obliged to devote all their energies and abilities to seeking a more equitable solution to such technical and economic difficulties as they may encounter. I do not mean by this that the difficulties, which are many and complex, should be underrated; nor do I underrate the efforts which our responsible colleagues are making and will go on making to help in recognising and overcoming those difficulties. But I do wish to urge that we must all bring a modicum of optimism to bear.

In recent years many parliamentarians besides me have maintained that the Europe of the Six should be regarded as the nucleus around which a wider European union can be formed; we also maintained that the more rapid, thorough and solid the integration of the Six, the greater would be the stimulus to accession by other member countries of the Council of Europe. Now, for the same reasons, I hold that it would be a serious mistake to suspend progress and to wait for these other countries to join before moving on again. Indeed, I believe that in order to shorten the negotiations as much as possible and to help the British Government to overcome the passive resistance they still find among the public and in Parliament, we must continue to persevere with our efforts to realise the spirit as well as the letter of our Treaty, in other words to achieve a common economic policy.

At the same time I appreciate that we cannot go on, say, to co-ordinate the economic policy of our countries just as if nothing had happened, as if there were not these negotiations for the accession of new Members, including so great a country as England. This fact will obviously slow down the process of working out a common economic policy.

Many people are afraid that what is gained in range with the entry of new Members into the Community may be lost in depth, *i.e.* in community spirit. To my mind, insistence on this point might be considered, if not offensive, then at least undiplomatic; it might appear as an unjustified arraignment of the new member countries and the new colleagues who are preparing to come into the European Parliamentary Assembly. We have just caught an echo of that fear in the address of our British colleague.

Nevertheless, it is undoubtedly logical that greater difficulty should be found in reconciling the interests of eight or nine countries than those of only six nations. It is equally true that the continuous creation I have alluded to, which is necessary to realise the spirit of the Treaty of Rome, will proceed more slowly. This slower process will, I believe, be largely compensated by the final result.

I have spoken only of accession, partly to save time, but also because the subject of accession lends itself better to a general treatment; whereas association must be discussed separately in each case in order to be adapted—it must be flexible and not rigid—to the particular conditions of individual States or groups of States. That does not mean that I underestimate the importance of association as a means of uniting free Europe.

I am confident that if free Europe does not waste herself in divisions and disputes, but finds a way to establish a comity of united or associated peoples, this century—instead of being the century of communism, as Krushchev has claimed—will be the century of Europe's rebirth, of a united, modern, socially mature Europe, capable of securing the liberty, progress and

well-being of her citizens, and ready to translate into deeds the principle of Christian fellowship with the peoples of other continents.

Like Mr. Junot, I too am glad to find that both our Assemblies are pursuing converging policies in essentials. I venture to repeat an idea, or rather a hope, which I have expressed on other occasions: to ensure that the European Parliamentary Assembly and the Consultative Assembly do not take opposite directions in studying, and especially in solving, problems of fundamental importance for European life, it would be well as soon as possible for the representatives of the Community countries to the Council of Europe Assembly to be nominated by the European Parliamentary Assembly instead of by national Parliaments. In this way, moreover, there would be less need of these joint meetings.

I should like to mention another advantage—to my mind the greatest—of such an arrangement, namely its political significance: the fact that the Community appeared as a unit in the international organisations in assemblies would be practical proof that we are really marching to the construction of a united political society.

It is the primary mission of all those of us who belong to one or other Assembly to work for a free, united, democratic Europe. The force of events will certainly bring that about; but it is our responsibility to choose between leaving it to circumstances to compel national Parliaments and Governments to abandon some fragment of sovereignty every day and deliberately, systematically sacrificing enough of national sovereignty to create a new model for Europe.

I am sure that each of us will do his best to see that national Parliaments and Governments choose the second way.

The Chairman. — Thank you, Mr. Santero. I now call Mr. Petersen.

Mr. Petersen (*Norway*). — There are several important questions to be discussed today but none of them, I believe, will rival in importance the question of expanding the European Community by the joining of new Members. We all hope that this discussion will contribute towards a solution of this problem and, moreover, towards a solution which in the end will be an all-European one. None of us should be content with less. If we are to attain this end, it is very important that we pay attention to the dynamic aspect of the situation. We are not in a static condition. It is only necessary to look back on the last few years to see that, in the matter of European co-operation, we have all been on the move and we are moving in the right direction.

Since the breakdown of negotiations in the Maudling Committee, it has been frequently said that the Six cannot enter into any arrangement which will weaken the Community or endanger its ultimate political aim. This point of view was understandable when the Community first began its operations. Now the Community is firmly established, and it is growing stronger every day. The principles of the Treaty of Rome are accepted by the States now applying for membership. The Community has not only come to stay but it now represents a process towards something to come. It seems to me that important consequences flow from this fact.

The Community no longer has to fear that any arrangement with other European States will endanger or indeed delay the final political aim of a United Europe. Therefore, the Community now, as never before, has the opportunity to be considerate towards non-member States. The gravitational forces and the cohesive forces of the Community have indeed already been shown by the fact that three States have formally applied for membership. In my country, Norway, no decision has so far been taken, principally because of the general election this autumn, but I think there is more than a fifty-fifty probability that Norway will in due course apply for full membership. A few years ago this would have been a political impossibility. We certainly are on the move.

However, we must admit that for certain States it seems at the moment impossible to follow the example of the United Kingdom because they regard their neutrality as a hindrance to full membership. This point of view should be respected. But neutrality is not a constant concept. We have today heard representatives from two neutral States, Mr. Heckscher and Mr. Czernetz, speak of neutrality in a way very different from what we should have heard a few years ago. I believe that if the European Economic Community is enlarged by three, four or more new Members, the significance of the concept of neutrality will slowly change. Today it means that neutral countries cannot go beyond a more or less loose association with the Community, but there may well be the development that these States, if associated in self-interest, will wish to strengthen their ties with the Community and, finally, even become full Members. If this is a possibility, it calls for a very flexible policy on the part of the Community and, moreover, a policy of good will. Association means, on the other hand, that a State will take on only some of the responsibilities and burdens of co-operation and will receive only part of the advantages.

It would serve the European cause, then, if the Community could adopt a liberal attitude towards each of the countries seeking association. At the present moment no emphasis should be placed on the political aspect of things. I believe that, as far as associate Members are concerned, political relations will develop in quite a natural way. We can afford to wait when we know that things are moving in the right direction, and if the problem of neutrality and the desire of some States not at present to take on any political responsibilities is looked at in a liberal and unconditional way, we shall be preparing in the best way possible at the moment for an all-European solution.

At the start it may be of a mixed character, mainly economic and only partly political, but I believe that as the years go by it will by its own force grow into a firmly-established economic and political union. My conclusion is that the Community will do well to admit the neutral States on whatever conditions and with whatever reservations each of them deems necessary at

present, and in due time they will turn into valuable members of an all-European Community which will fulfil the aspirations of the Rome Treaty.

IN THE CHAIR: Mr. HANS FURLER

President of the European Parliamentary Assembly

The Chairman (Translation). — Thank you, Mr. Petersen.

I now call Minister von Merkatz, who is representing the Chairman-in-office of the Committee of Ministers of the Council of Europe.

Mr. von Merkatz (Translation). — As the present Chairman of the Committee of Ministers of the Council of Europe, Mr. von Brentano, was hoping to address the two European Assemblies today, but the present political situation has unfortunately prevented him from coming to Strasbourg, he has asked me to take his place and to convey to you his sincere regrets.

As a member of the Consultative Assembly of the Council of Europe for many years and as a frequent representative of the Federal Government on the Committee of Ministers of the Council of Europe I need scarcely tell you how glad I am of this opportunity to speak to the two European Assemblies.

I have come here at a moment when the shadow of Soviet threats lies heavy on world politics and particularly on European affairs. With your permission, I will come on later to the East-West conflict and the German and Berlin questions, which are naturally of special concern to me as a representative of the Federal Government, and begin with a more cheerful subject : European unity, its development in recent months and its future prospects.

Before I start, however, let me express my profound satisfaction that the two great European Assemblies have come together

again in a Joint Meeting this year. I have forgotten whose idea it was that the Consultative Assembly of the Council of Europe and the European Parliamentary Assembly should be given the chance of getting to know each other's problems through joint discussions. At all events, we may congratulate ourselves on having put the idea into practice so that the two Assemblies can confer together at regular intervals.

The ideal solution will doubtless be a single European Assembly, with a single European Executive corresponding to it. Unfortunately, as you know and regret, we have not yet reached that point.

The political realities of European history and the urge of national Governments to adapt themselves to those realities have brought it about that we now have three European Assemblies.

The members of the WEU Assembly are indeed the same as the Representatives to the Council of Europe from the Parliaments of Western European Union Member States. So the WEU Assembly could justly be described as a slice of the Consultative Assembly of the Council of Europe. In any case even the present arrangement should not be condemned out of hand.

The main thing is that the Consultative Assembly and the European Parliamentary Assembly should not harp too much on their differences but should both feel that they are setting the pace for the attainment of a common goal.

The idea of the Joint Meeting is to emphasise this joint purpose, but I am convinced that it is also useful in as much as reciprocal information and exchange of views reduce the danger that both Assemblies might assume the same tasks and then carry them out with different materials and on different lines.

But we ought to make one thing quite clear. We do not want another permanent parliamentary assembly in Europe additional to the Consultative Assembly and the European Parlia-

mentary Assembly. I mention this explicitly because I am aware of the Consultative Assembly's fears lest their recommendation to give the new OECD a parliamentary advisory body might lead to the foundation of an essentially distinct parliamentary assembly.

I believe, however, that not only the Federal Republic but also the other member Governments of the Council of Europe are of the opinion that such an arrangement would be conducive neither to European integration nor to the incorporation of Europe into the Atlantic Community.

The Committee of Ministers of the Council of Europe have expressed unqualified approval of Recommendation 245, which proposes holding an *ad hoc* Assembly with predominant participation by the Council of Europe. We should, of course, bear in mind that the entry of the United States of America and Canada raises certain problems which must be taken into account when giving effect to Recommendation 245.

In my view, the idea of providing OECD, like OEEC before it, with an advisory body ought not to be abandoned. Such a body might be of great assistance to the work of OECD. It should indeed have a sphere of competence going beyond matters of purely European concern and affecting the general interest of all Members of OECD, including those welcome new arrivals, America and Canada.

I now move on to a second point. Yesterday you heard reports from Presidents Malvestiti, Hallstein and Hirsch on the activities of the three European Communities. They showed that during the past year the implementation of the Rome Treaties and the Coal and Steel Treaty proceeded according to plan, though not always without difficulties, and that real progress was made. So we have every reason to regard the future of the Communities with confidence.

However, apart from activities inside the Communities, events have occurred in Europe this year which justify the proud

conviction that, in the midst of all the world political crises, at least one welcome and constructive development stands out: the birth of European unity.

I am thinking of the results of the Bonn Conference of Heads of Government, the association of Greece with EEC, the declarations by Great Britain, Denmark and Ireland of readiness to engage in negotiations with a view to joining EEC, and the decision of the other EFTA countries to review and reshape their relations with EEC.—Please forgive me for using the abbreviations; I do so only to save time and with no discourteous intent.

The Conference of the six Heads of Government at Bonn on 18th July, which issued in a joint declaration—the so-called Bonn Declaration—on political co-operation in Europe, may justly be described as a milestone in the history of the movement for European unity and, in the context of the present world situation, as a historic event.

Allow me, then, to recapitulate the main points of the Bonn Declaration. The six Heads of Government resolved to plan and extend their political co-operation with a view to attaining a common policy and ultimately consolidating the work initiated by means of institutions. To this end, they would meet at regular intervals and discuss all matters of interest to them.

They also resolved to extend co-operation to other fields not covered by the Community Treaties, notably education, culture and research. They directed a preparatory Committee to make proposals for giving a statutory character to the unification of their peoples. At the same time the Heads of Government specifically emphasised that they intended to strengthen the Atlantic alliance by promoting the political unification of Europe and to facilitate the execution of the Paris and Rome Treaties by perfecting their co-operation.

They decided, finally, to invite the European Parliamentary Assembly to extend its work to the new fields in co-operation with the Governments.

By deciding in favour of increased co-operation among the Six in fields not covered by the Community Treaties, especially in the political sphere, the six Heads of Government have restored the link between fulfilment of the European treaties and European political construction, thus filling in a wide gap. Without this new step in the direction of European political unity, the spirit of the Rome and Paris Treaties would remain unfulfilled.

We should therefore be grateful to the French President, General de Gaulle, for having firmly seized the initiative over the question of political co-operation among the Six. To many "internationalists"—please excuse the expression, which I only use for the sake of brevity—the outcome of Bonn may appear trivial. They may even see in it a retreat from the ideal of the total almalgamation of European nations. But all of you who have been doing important European parliamentary work for years will agree with me that it would be a mistake to do nothing just because everything, in this case full integration or amalgamation, cannot be achieved at once.

The significance of the Bonn Conference of Heads of Government and the Bonn decisions is surely rather that they marked the end of a period of stagnation in European politics, that they imported new momentum and new strength to the European will to unite and that they set the protagonists of Europe new tasks. We should leave it to future reflection and experience, based on a realistic assessment of the reasonable and the possible, to determine whether European unity will one day take the form of a federation or confederation. I may say that it is also a task for political scientists and constitutional lawyers to discover the formulas.

The Bonn decisions also open up new tasks for the European Parliamentary Assembly, which will in future be asked for its views on the questions over which the Heads of Government are to co-operate. This, of course, implies no restriction of the previous activity of the Assembly; its performance was fully approved, and the preparatory Committee was instructed to make a thorough study of the proposals contained in the Resolu-

tion of 29th June 1961, with special reference to the future constitutional and institutional foundations of European unity.

When I expressed our gratitude to the French President just now, I was in no way belittling the importance that attaches to the European Assemblies at every stage of the work of European unification. The impulses radiating from their numerous initiatives have been a constant reminder to the Governments to continue and elaborate what was begun eleven years ago. I may indeed assert that, had it not been for the spur of the public debates in the European Assemblies and the directions indicated in their resolutions and recommendations, the Governments could not—and should not—have proceeded with the work of European construction. The European Assemblies are the ultimate forum for the creation of European opinion and at the same time the court before which the Governments must justify themselves. The six Member Governments of the three Communities are confident that the decisions of the Bonn Conference of Heads of Government are in accord with the endeavours of the European Assemblies over the years.

The Sessions of the Consultative Assembly and the European Parliamentary Assembly during the past two years have been overshadowed by the potential split of Europe into two economic *blocs*, in other words by the controversy between EEC and EFTA. The efforts of both Assemblies to counteract the disintegration of Europe into two economic *blocs* and the express hope recorded in the Bonn Declaration that other European countries which are prepared to incur the same responsibilities and obligations in all spheres might wish to join the European Communities have since been rewarded by the British, Danish and Irish requests to open negotiations with a view to entering EEC. The Member States of the European Economic Community warmly welcomed Prime Minister Macmillan's statement in the British House of Commons on 31st July 1961 and the remarks of the Lord Privy Seal, Mr. Heath, at the meeting of the WEU Council of Ministers in Paris on 1st August 1961. The official British application was received by the Council of the

European Economic Community on 10th August 1961, and the procedure laid down in the Rome Treaty has since been set in motion. It may safely be assumed that negotiations will begin soon.

I do not think there is a single one of us who fails to recognise and appreciate the significance and importance of the British decision. And all of us must be fully aware that Great Britain's step was not taken lightly. We should be all the more grateful to Great Britain for that decision conceived in a spirit of European responsibility. There has been much spoken and written comment to the effect that, by joining EEC, Great Britain would have to throw overboard principles and ideas which have determined her foreign policy for centuries—and with great success. Britain's foreign policy is indeed guided primarily by her obligations to the Commonwealth, and her insular situation has given the United Kingdom a special attitude towards Europe. Yet it would be wrong to pretend that she has had no ties with the Continent until now. Great Britain made notable contributions to European unity in the post-war years. The Council of Europe and WEU would be inconceivable without the initiative of Britain. Winston Churchill's Zürich speech in 1946 cleared the way for the European Congress at The Hague, which in turn led on to the Council of Europe. And we have to thank Sir Anthony Eden that the failure of the EDC did not engender a European *débâcle*. Nevertheless, for a long time it seemed unthinkable that Great Britain should ever decide on so drastic a step as full membership of the European Communities and be prepared to assume the same responsibilities and obligations as the Six in all fields.

The courage shown by Great Britain in applying to join makes it incumbent on the Six to be no less courageous and to display a determination to overcome the difficulties which may loom up on the way to final membership. This of course applies primarily to the Commonwealth connection. No European country can want Great Britain's relations with her overseas partners to be weakened as a result of full commitment in Europe. The existence of the Commonwealth is a vital factor in the preserva-

tion of democracy and freedom in many parts of the world. The survival intact of the Commonwealth, that juridically elusive yet solid organisation, is of the highest political importance to Europe in the present world situation.

It will therefore be essential, in the negotiations, to retain the spirit and substance of the Treaties and at the same time to make allowance for the special obligations which Great Britain, and with her Europe, has towards many countries of the free world.

At the meeting of the WEU Council in Paris on 1st August, the Lord Privy Seal, Mr. Heath, said that the very fact that the European Economic Community was more than just an economic grouping had exerted a decisive influence on the British resolution to join. Great Britain was prepared to play her full part in the further development of political co-operation. That statement should give us great satisfaction. Think how Europe will be strengthened if tomorrow there is a closely knit political and economic community of seven, nine or more States. Such a union will serve to remove all doubts as to the solidarity of the peoples of Europe, at the same time reinforcing the stability of the Atlantic Community and imbuing the whole free world with the conviction that Europe has faith in her future.

For reasons of neutrality—in some cases maintained for centuries—certain European nations find it impossible to enter the European Communities outright. We respect their reasons and appreciate their special position. We hope nevertheless that forms of association and co-operation will be found which may help the economic progress of Europe and settle the EEC-EFTA issue in a way that makes economic sense and serves the welfare of the population of Europe as a whole.

Permit me now, as I announced at the beginning of my remarks, to say something about developments in East-West relations, a source of profound anxiety to us all. I do not intend to enumerate all the phases in the provocative conduct of Khrushchev and his puppets. The whole world has witnessed

the measures taken in the East which constitute a heavy onslaught on what lies closest to our hearts, namely the freedom without which life for us would not be worth living. Freedom and the right to self-determination are at stake. The tactical moves of the Eastern rulers, apparently directed towards limited objectives, should not blind us to the fact that we are faced with an unscrupulous attempt gradually to force the European peoples, whose steadfastness has hitherto preserved a free way of life, under the communist yoke. It began with the subjugation of the Eastern European nations and the suppression of the Hungarian revolt, continuing with the threat of a separate peace and partition treaty with the Soviet-occupied zone of Germany, the shocking measures of 13th August and the menace to the whole of Berlin, which consists essentially in sapping that city's will to live and means of livelihood through total isolation. If we are unable to put a stop to this, communist power politics will not hesitate to overwhelm the remainder of free Europe bit by bit. We must not forget this for an instant.

I am convinced that even the European peoples beyond the Iron Curtain, if they were allowed a free choice, would play their part in the construction of a free, united Europe. But this is denied them by the Soviet Union and its satellite governments. It exerts continuous heavy pressure on the so-called "socialist" camp, which is a mere parody of the unity of the peoples. In actual fact, despite central control from Moscow, no real integration of the satellite States has resulted; only the political line of the Governments and communist parties is standardised and subordinated to the Soviet dictatorship. The populations are untouched by it.

The significant fact is that this area is not only cut off from the West by an iron curtain: the frontiers between the various satellite countries and the frontiers of the Soviet Union are also firmly closed, and nationalism in the "socialist" camp has developed into a danger acknowledged by the Communists themselves. Whereas, according to the teaching of Marx and Engels, the frontiers between socialist States should disappear, they have actually become still higher. Yet—contrary to Marxist pro-

phecies—the citizens of the so-called capitalist countries, as we can see for ourselves a stone's throw from here on the Rhine Bridge, can cross the frontier from one country to another without passports or visas. The new programme of the Communist Party of the Soviet Union shows how unpleasant and painful this development is to the communists. That programme completely ignores the effects of European integration and merely asserts that "sharp tensions and conflicts" are growing out of this integration and that the contradictions between the States of the West are becoming still deeper!

In fact, it was precisely the communist threat that mobilised the unifying force of Europe, thus accelerating integration and even causing the most profound, age-old national differences to vanish.

This communist threat has never been so great as today. But the unifying forces of Europe, thus accelerating integration and determined than today. The Washington Conference gave impressive evidence of this.

I do not need to demonstrate in detail that the present crisis has been brought about entirely by the Soviet policy of threats, treaty violation and unilateral measures. Anyone who has followed events since the Soviet ultimatum of 27th November 1958 can have no doubt that it is Khrushchev's crisis and that it rests entirely with him whether East-West relations are to become normal again or whether the situation he has conjured up will have fateful consequences. He alone is responsible.

The Western Powers, indeed, are still ready to negotiate with him for a just solution of the German and Berlin questions. But they are united in their determination not to yield to the nuclear threats, blackmail, ultimata and violence of Krushchev and his tools. If the West ever gave in to such Soviet pressure at one point, Khrushchev would soon repeat his threats and blackmail elsewhere. In reality he is less interested in concluding a so-called peace or partition treaty than in imposing

his will on the West. He must not and shall not succeed. His power stops where the free peoples of the world unitedly oppose him.

This is the order of the day: unite in the will to freedom! Unite in the knowledge that a united Europe, reinforcing the Atlantic Community, is the mightiest bulwark against the threat from the East.

The elections in the Federal Republic of Germany have now been held. I can assure you that, although we are living with this grave threat to our whole world and to our existence, the German people are in a thoughtful mood, as was reflected in the election results. The policy of the past twelve years has been endorsed by the majority. On this sure foundation, my country will apply all its energies to the preservation of freedom; and it will also devote itself wholeheartedly to the preservation of peace for us all.

The Chairman (Translation). — I thank Mr. von Merkatz for the important statement he has just made on behalf of the Chairman of the Committee of Ministers.

I now call on Mr. Haekkerup to speak in the debate.

Mr. Haekkerup (*Denmark*). — I should like to start by associating myself with the Minister, Herr von Merkatz, in his estimation of the importance of having a Joint Meeting of our two Parliamentary Assemblies here in Europe. It is a special privilege for us from the Council of Europe to have the opportunity to express our points of view to members of the European Parliamentary Assembly, particularly in the present situation.

This morning, my eminent friend, Mr. Czernetz, spoke in a moving and rather convincing way of the problem of his country, while other speakers have referred to the problems of the other neutral countries in the present situation. I speak, not on behalf of, but as a representative from, the only small country

in EFTA which has so far decided to apply for full membership of the EEC. As may be known, it has been decided by a great majority in my Parliament to apply for full membership. That does not mean that there is no opposition to our decision. The disguised Communist Party—the so-called Social People's Party —is against the decision, and in the hearts of many who voted for the application for membership there is still a doubt whether that decision will materialise in a final positive decision.

I want to assure you, Mr. Chairman, that the Danish Parliament's decision was taken in the hope that we should get a final positive decision, but our final decision, which will be taken later, when the negotiations between my Government and the EEC have ended, will depend on two conditions. The first condition is that the British Parliament finally decide to affiliate as a full Member with the EEC. I do not want to say by this that the Danish decision is entirely contingent on the decision of the British Parliament, but I would say that, from our point of view, a decision by the British Parliament to affiliate with EEC means that the hope we have had for so many years that we could get established in Europe a very large Common Market which could lead to a further political development of the unification of Europe will have taken a big step forward. But, even if the British Parliament decides finally to accept membership of the EEC, this does not necessarily mean that the Danish Parliament will do the same. That depends on the negotiations that will take place between the EEC and my Government.

We consider the Rome Treaty as an economic treaty. We do not deny—rather, we accept—the far-reaching political aim of the EEC, stated only in the Preamble to the Treaty. The relevant sentence is that the aim is

". . . an ever closer union among the European peoples."

We agree with that fully and wholeheartedly. We know that in the Coal and Steel Community Treaty the political aim is expressed rather more clearly. We agree with that aim as

well, but we do know that inside the EEC there are differences of opinion on what will be the institutional character of the further political development of that economic association that has been established.

We know that there are differences of opinion about the methods that should be used. When we are in EEC, as I hope we shall be in the course of some months and, in any case, I hope not very much more than a year, we shall take part in a positive way in the discussions on how we are to shape the political future of Europe.

I have said that the final decision of my Parliament will depend on the results of the negotiations with the EEC. I shall not go into details about the problems which my country will have to raise, but I want to emphasise that we can follow to the hilt the advice given by our distinguished Rapporteur, Mr. Vos. He advised us not to demand amendments of the Rome Treaty; not to demand changes in the context or the Articles of the Treaty. In the application sent forward by my Government it has been expressly said that we hope that the special problems which my country has—just as other countries affiliated to the EEC have their special problems—could be taken care of in protocols. That means that we do not intend to propose changes in the Rome Treaty; we accept that Treaty as the basis of our affiliation to the EEC.

Just as Mr. Vos advised us not to demand any amendments to the Rome Treaty, we feel that it would not be advisable in the present situation for the EEC to demand of those whom they wish to affiliate, either as full Members or associate Members, anything which is not specifically written into the Rome Treaty. My country accepts the broader political aims, but we feel that if we sign a treaty we are bound only by the Articles and words of that Treaty and are fully free to develop, after our membership has been accepted.

Various countries may have various hopes about the future of the Community. There may be hopes in my country. We

shall do all we can, as and when we are in, to get our objects fulfilled in the Community. I hope that, just as we shall stick to the wording of the Treaty of Rome, the EEC will do the same.

I shall not go into the various problems which specifically affect my own country; that is for negotiations between my Government and the EEC. But I should like to point out three problems of a procedural character. In connection with the first, I am very happy to associate myself with Mr. Vos. We hope that the negotiations between my country and EEC will be parallel with those between the British Government and EEC, and those of other Governments who may apply for full membership or for association with EEC.

The question of agricultural policy is of special importance from the point of view of my country—and here again I associate myself with Mr. Vos. If Great Britain becomes a Member of EEC it means that the greatest importer of agricultural products is going into EEC. If Denmark becomes a Member it means that one of the greatest exporters of agricultural products is becoming affiliated to EEC. How can anyone imagine the establishment of a long-term economic policy in EEC if it expects, in a few months' time, to get the greatest importer and exporter of agricultural products into the Community, without taking into consideration their advice and points of view?

That is why the Danish Government have asked that in the further deliberations on the agricultural policy of EEC they may be allowed to come into the picture. We hope to be allowed in as observers. I understand that there is a certain opposition to giving us such a status—that a certain amount of reluctance exists in this respect. If we cannot be allowed to be present as observers while the Community is discussing matters which are matters of life and death for us as well as for it, I hope that at least we can be given information, and can have the right to be consulted. This means putting things into writing which we could do better verbally, but, if the EEC prefers to have it in writing, I do not see why we should not be pre-

pared to accept. I hope that we shall be allowed to have some connection with the consultations and deliberations on this matter which is so important for us and for Great Britain.

The third procedural problem is that we hope that in the period during which negotiations between my Government and EEC are taking place, in order that EEC may develop further, decisions taken within the Community will be taken in such a way that there will be no increased discrimination against my country. I know that some people have understood that the Danish proposal is really a standstill proposal, but that is not so. But imagine, in one room, EEC representatives sitting down and discussing with representatives of the Danish Government how full Danish memberhip may be arrived at and, in the next room, EEC representatives sitting down discussing how, in the meantime, they can do something which will increase discrimination against our exports. I therefore ask, as my Government have asked, whether, while negotiations are going on, at least they shall be carried on in such a way that Denmark will not suffer because of an increased discrimination against its exports. I hope that those three procedural problems will be dealt with very sincerely by the EEC authorities.

My final point is of a more political character. I would remind members of the two Assemblies here that the Nordic countries have, over a long period, built up a close and intimate co-operation in many fields, in cultural, political, educational, economic and social matters. According to tradition, in our countries we have not institutionalised that co-operation. We have not made it in the form of treaties, *etc.* We have established it in a practical way, and we have a very firm co-operation. We are afraid that if some of us are affiliated to the EEC in the capacity of full Members, others only as associated Members, and with Finland probably not able to become a Member of the EEC in the foreseeable future, there will be little possibility of our continuing our co-operation.

We therefore ask that in the further negotiations between our Government and the EEC consideration will be given to

the fact that this co-operation is of great value not only for the Nordic countries but because it has a bearing on our decision whether to affiliate or not. It is also important from a general European view that this economic co-operation should continue. We feel that inside the framework of the Treaty of Rome there is not much which should be a hindrance to our carrying on this co-operation, but we are not sure what interpretation will be put upon the Treaty, and we therefore ask that there shall be an understanding in the EEC that this co-operation is of importance not only for the Northern countries in general but also—and here I come back to what was said by Mr. Czernetz about the position of Finland—because Finland was ultimately able to make an association agreement with EFTA which is of a certain political importance for all of us. This was not least due to the close Nordic co-operation which we have built up with Finland over many years.

If, after Denmark is affiliated to EEC, together with Norway and Ireland, and after Sweden is associated with it, Finland is to have a close connection with European countries, the best thing to do is to accept, stimulate and guarantee the economic co-operation that has been established between the Northern countries. Therefore, both from a more narrow Nordic point of view and from a broader European and Western political point of view, I hope that there will be a sufficient understanding in the EEC countries of our very firm and strong wish to be able to go on with Nordic co-operation—in the hope that the negotiations we shall have between my country and the EEC and the negotiations which the EEC will have with Norway, Iceland and Sweden will eventually result in some arrangement or other between all the four countries and the EEC. My own hope is that it will be full membership. At any rate, I hope that we shall be realistic enough to accept that degree of association which is acceptable to each of the four countries.

(Mr. Federspiel, President of the Consultative Assembly, resumed the Chair.)

The Chairman. — I call Mr. Macmillan.

Mr. Macmillan (*United Kingdom*). — I do not wish to detain the Assembly too long at this late hour or to anticipate what I hope to say on a later occasion. I am very grateful to you, Mr. Chairman, for this opportunity first to join with those who have congratulated Professor Hallstein on his great achievement, on the success of the Communities and their obvious great future, and to join particularly, perhaps, with Mr. Heckscher in saying that such congratulation does not necessarily imply approval of all that Professor Hallstein said. I am grateful mainly for the opportunity to make a few observations arising chiefly from the remarks made by the two Rapporteurs and by Professor Hallstein. I wish to make quite clear that in doing so I am not only trying to plead a cause or make a case, although I make no apology to this Joint Meeting for being on this occasion a little more partial than I should be in presenting a Report to the Assembly on behalf of the Political Committee.

The difficulties that the British are making for the Six are at this time very much alive in people's minds, but sometimes I think the good that the British have done is often forgotten. The help that they are giving now to European unity and security is sometimes glossed over in speeches. Professor Hallstein mentioned the great economic expansion of the Communities. He stressed the economic advantages that would be enjoyed by countries attaching themselves to this expansion. I thought that he was almost contemptuous in his references to those who sought to enjoy the benefits of increased trade without accepting the increased political responsibility of full membership.

Professor Hallstein is a good European, but he did not make any reference to the political responsibility already accepted by some European countries outside the Six.

Mr. Heckscher referred to the indirect contribution which the neutrals were making to the defence of Europe by assuming full responsibility for their own defence, and I think that it would have been a little more gracious, perhaps, had Professor Hallstein seen fit to refer to this and to the economic disadvantage which the United Kingdom has long enjoyed as a result of the disproportionate share of the defence burden which she bears.

Professor Hallstein paid a right and just tribute to the immense contribution made by the United States of America both in the way of overseas aid as well as in its defence contribution and, very good European that he is, Professor Hallstein emphasised that now the countries of Europe will themselves have to accept a greater share of both these burdens. But again he did not mention that one European country, Great Britain, is already accepting a very heavy commitment in overseas aid which, added to the defence payments made across the exchanges, is being very largely responsible for the balance-of-payments difficulties and recurring economic crises which face that country.

Professor Hallstein did say that putting the burden of application on the would-be new Member had no reference to any matter of tactics, the tactics of negotiation, that is, and I am sure that no such question of tactics lay behind those omissions in his speech, because he is indeed a good European. I shall follow his example and try to avoid as far as I can the question of tactics, but there is one point which I should make and one fact I should put before this Joint Meeting.

In the past, Great Britain has never been reluctant or slow to defend freedom and democracy in Continental Europe. Many people have already mentioned this. Neither the United Kingdom nor the Commonwealth countries overseas have been slow in accepting their responsibilities to the full extent of the capacity of all our peoples. Even now Great Britain is making her full contribution to the defence of Western Europe and of Western ideals and towards freedom and democracy overseas up to, and indeed beyond, the capacity of her economy.

As a good European myself, I think I should remind not only Professor Hallstein but all concerned that the British capacity to accept these responsibilities and burdens depends entirely upon the extent of British overseas trade. The spirit may well be willing but the size of Britain's share of the European burden depends in great part on Britain's share in the

European market. This is one of the many reasons why I think that Great Britain is serious in wanting to join the Common Market as a political as well as an economic partner. It is, indeed, this seriousness which has led to British hesitation, for the United Kingdom's contribution to the common political cause lies not only in Europe itself but throughout the world. I am grateful to Mr. von Merkatz for his recognition of that fact in his speech this afternoon and his emphasis that it will be no good service to Europe if the closer integration of the United Kingdom within it prevented the United Kingdom from making her ever wider political contribution not only through the Commonwealth but through her association with the EFTA countries as well. I hope that there is no question of any such choice being though of now or in the future.

Professor Hallstein said that this was a turning-point for Great Britain. Certainly it is, but I think that it is a turning-point for Europe, too. I hope that Great Britain will never be turned away from Europe. We should be grateful to Professor Hallstein for recognising the reality of this position; for admitting—indeed, stressing—that the British difficulties are genuine and not merely assumed for tactical purposes. I would plead with all concerned for patience. As Professor Hallstein said, referring to the agricultural problem, "things take time in a field so varied and so vast," and this field is indeed varied and vast enough.

I should like, too, to express my gratitude to Mr. Junot for his understanding of United Kingdom sentiments, and for the assurance that he, and other speakers, too, have given that the Six will do all that is possible to meet these, provided that the British intention to implement the objects of the Rome Treaty is real. I am glad that both he and Professor Hallstein, and all the speakers in this debate, have welcomed the British decision to apply for full membership of the Common Market. I have to thank Mr. Junot personally for the kind words by which he has referred to me in his Report. Perhaps I can assure him that there is not the family difference of opinion that one page of his Report might seem to imply. It was, I think, Mr. Kapteyn

who reminded us that one of the groups who feared most in the case of the original negotiations was the French *patronat*, and that now they are among the greatest enthusiasts for the EEC. What I was trying to say was much the same; that British politicians who now may seem fearful of the future will, once the United Kingdom's entry into the Common Market is assured, become amongst its greatest enthusiasts.

I would reassure Mr. Junot in regard to the alarm he expressed over some more recent words of the British Prime Minister. I feel that the difference lies not so much in the intention but in the difference in the role of a member of the Government—a Prime Minister—and a back-bencher, and in the period to which the statements refer. The back-bencher was possibly legitimately speculating about the future; the Prime Minister was confining himself to the immediate issues. Further, as Mr. Kapteyn remarked, there is now no question of federation—a point also made by Mr. Spaak in one of his speeches. The question now is not the transfer of sovereignty but its delegation, and that, I think, Mr. Kapteyn recognised; British willingness and British acceptance of obligations under NATO/SEATO, *etc.* and GATT/EFTA, and so on.

I certainly agree with him that there is no point in the United Kingdom acceding to the Common Market on any terms other than full membership. That seems to me to have every disadvantage for all concerned without many of the corresponding advantages. If we join, we in the United Kingdom are, I think, quite willing to accept the ends lying behind the Rome Treaty, but we do expect equal rights with the other partners in the Rome Treaty in deciding upon the means used to reach those ends. Sometimes I think that there comes across in England the feeling that, almost as a punishment for being late in applying for membership, more is demanded of the United Kingdom and less likely to be granted than there was in the case of the other partners in the original negotiations of the Rome Treaty. Such anxiety should have been allayed by many of the speeches in this debate, but there are still traces of it. For example, I really do not see why the British Prime Minister

should be expected to be more federal in his approach to integration than the French President, despite the looser ties of our own Commonwealth. And let us not forget, Mr. Chairman, that the Lord Privy Seal and others have accepted in full the institutional needs and the implications of integration.

We in the United Kingdom are quite willing to accept our duties but we do expect to be treated the same as the other partners once that partnership is concluded. That, I think, is one of the great services that is being rendered by this Joint Meeting—making it clear to the United Kingdom that this indeed is so.

Professor Hallstein said that we can imagine that the old Members will feel when they conclude the Treaty of Rome that they have to face problems similar to or analogous with those confronting any applicant and will therefore assume that the same answers hold good. That is an assumption that I feel the United Kingdom can quite fairly make as long as no more is expected. We here know that this anxiety has perhaps no cause in fact; that the continuing opposition to the United Kingdom joining the Common Market is based largely on misapprehension and a fear of the unknown; but part of it is quite real, and I think that that part was very much allayed by Professor Hallstein's reassurance that the Common Market is not exclusive and inward-looking but has, in the eyes of its Members and of its officials, an important role to play both in the Atlantic Community and in the world at large.

Professor Hallstein also allayed some other fears that have been expressed in England when he said that the Community was not a State and, using an approach that was almost British in its pragmatism, he said, in the English translation, "such as it is, it works." That, I think, is an approach that can well be understood in the United Kingdom, because political integration is not only implied by the needs of economic integration. In all major issues it is an accomplished fact that no one can do anything about. There is no independence in the old sense of the word and sovereignty has already been encroached upon. It

is true to say that the United Kingdom has suffered enough in the past from European disunity to have a strong vested interest in helping to create greater solidarity amongst the countries of Western Europe.

I think that another difference is a difference of pace. There is an English hymn which becomes very familiar to many British schoolboys, of which one line is:

"I do not seek to see the distant scene,
One step enough for me."

That perhaps typifies the British approach to the Common Market, and it does not imply any reluctance. On this basis, the word "statutory" as applied to co-operation should be reassuring to the United Kingdom because it implies that the abrogation of sovereignty and the delegation of sovereignty to institutions is precise and limited. And Professor Hallstein himself said that the powers of institutions depend on the previous surrender of sovereignty by countries, for there is one big difference between such abrogation of sovereignty as applied to the United Kingdom as compared with other European countries which leads to British apprehension especially of any surrender of powers in vague terms. Mr. Kapteyn referred to the sovereignty lost by individual countries and regained through international organisations. That is certainly true, and true of Great Britain in the international sphere, but I am not quite sure whether it is true of Great Britain in the domestic sphere. The internal sovereignty of Parliament in the United Kingdom depends to a great degree on the economic control of the Executive by the Legislature, and the more such economic power passes out of the hands of the Executive the less control the Legislature has over it, not only in international matters, but also nationally and internally.

Perhaps we could all be assured by what Mr. Junot has said in respect of this sort of limitation of sovereignty, and also by the parallel one of the freedom that the United Kingdom must

have to play a part, politically as well as economically, in the Commonwealth. Again, I thank Mr. von Merkatz, among others, for his recognition of this fact. If there is any reluctance on the part of Britain, as mentioned by Mr. Junot in his Report, this debate may have allayed some of the fears which caused that reluctance. I do not believe that the United Kingdom wants to tie the hands of the Executive in any way at all, provided that "statutory" means what I think it does.

Mr. Junot said that "all good Europeans welcome the rapprochement between these different points of view," and as he was kind enough to include me among the good Europeans, I am sure that for once both he and I can agree with the British Prime Minister when he said that the failure of negotiations would be a tragedy. It would be a tragedy for Europe as well as the United Kingdom. Indeed, since, in my view, the failure of negotiations must mean a turning away from Europe by Great Britain, such division of Europe must weaken the whole of the West and be a tragedy for this reason as well as for the missed opportunity to come to terms with the modern world.

But it cannot be said necessarily to be a tragedy for the British economy in the long run. It is arguable that the Six in general, and France in particular, would suffer more. I do not want in any way to belittle the great achievements and the economic expansion of the Communities, and I have paid my tribute to them and to Dr. Hallstein. It is a great expansion indeed, especially as compared with the rate of growth in the United Kingdom. But if that rate of expansion is to be maintained, it will require markets beyond the confines of Western Europe in the end. The fortunes of the United Kingdom in the short run, and the whole of Western Europe in the long run, depend not so much upon our respective competitive positions as upon the development of markets, and here the currency problem of the world tends to favour the United Kingdom, for since in Great Britain we produce less than Western Europe produces of what the overseas primary producers export, we can offer bigger markets to them and so hope to sell a higher proportion of our exports.

A careful study of the recent EEC Bulletin will show that the expansion of Western European trade with the primary producers has been the slowest rate of expansion of them all. I do not want to develop this economic argument today. I quote it only to indicate that, in applying for membership of the Common Market at this stage, the United Kingdom is not acting with any special or sinister motive. It has no more to gain from success and no more to lose from failure than other European countries. We hope for similar advantages. We are willing to make similar sacrifices. We are not demanding a compromise of objectives. We are asking for the same voice as others in deciding those objectives which are still uncertain, and we expect the same say when framing the methods used to reach them.

We in the United Kingdom can accept the same high ideals as the rest of Europe, and we have the same belief in the need, as part of a wider association of the Atlantic Community for closer European unity and solidarity. Such a process cannot be halted, in the words of Professor Hallstein. Perhaps not, but it can be slowed down, and it may be confined to the separate parts of a divided Europe. I hope that here, in this Joint Meeting, we can be united on one thing at least—in hoping that the negotiations which are about to start will prevent such a sorry failure of European thinking and European policy.

The Chairman. — I call Mr. Duynstee.

Mr. Duynstee (*Netherlands*). — Last year I made a fairly long speech to this Joint Meeting. I do not want to do the same this year. But I should like to dwell a little on some points of interests and some topics which I consider to be of importance. The first problem concerns the applications of Britain, Denmark and Ireland for membership of the Community of the Six. As a European—as a Dutchman—I am delighted by the fact that the United Kingdom, Denmark and Ireland have decided to join. We in the Netherlands ratified the EEC Treaty because we considered the Community of the Six to be a means to an end and never considered it an end in itself.

The fact that the United Kingdom, Denmark and Ireland have decided to join means that within the Community we can now turn to further and wider horizons. The entry of the United Kingdom, Denmark and Ireland will give greater political stability to the Economic Community, and it is my opinion that greater political stability is one of the things that the Community is badly in need of, as has been shown by developments in the political situation in Europe during the last six or seven weeks.

Negotiations will commence within the foreseeable future, and no doubt they will de difficult. But in my opinion they must succeed if the position of Western Europe in the modern world is to be made safe. Mr. Macmillan alluded to the same point at the end of his speech. The over-riding consideration should be a clear realisation on both sides that failure in negotiation is not permissible. Belonging to a country which is a Member of EEC, I want to see all the essentials of the EEC Treaty maintained, while I hope that the occasion which these negotiations offer will be used to give some form and substance to some of the ideas expressed in the declaration by the Heads of States as formulated in Bonn, on 18th July, 1961.

I hope that a more political dimension will be added to the present EEC structure. In all honesty, I must say—I hope that my colleagues in the European Assembly will forgive me—that it is my personal opinion, an opinion, incidentally, which is shared by others in Europe, that the Parliament of the Six is very much a socio-economic Parliament, a rather technocratic Parliament, with relatively little political content. There is now, I believe, an opportunity to give to it an added dimension, a more political dimension, and I hope that the opportunity will be taken.

Once negotiations start, there will be at once a difference in mental approach to the procedure in the negotiations. The French, the German and the Dutch legal mind is fanatical about words, about conventions, about signed agreements, about legal structures and about constitutions. The British legal mind cares very little for such niceties. Britain has not even got a written

constitution. In France and Germany there have been three different constitutions in the last thirty years, in one generation. Incidentally, that shows that an agreed text is no guarantee of continuity.

Due, perhaps, to my Irish and English upbringing, I consider that the spirit behind an agreement, the force of circumstances in which the agreement is reached, the measure of the ultimate beneficial effect that it will bring to the Contracting Parties, are of greater importance than the letter and text of the agreement. Therefore, my advice to the leading personalities in the Community of the Six and the other leading personalities who will take part in the coming negotiations is to adopt the words of a great French revolutionary—words used also, incidentally, by Mr. Spaak—"*Messieurs, de la souplesse, de la souplesse, et encore de la souplesse!*". Let them not at all points wish to impose their ideas—so often preconceived ideas—upon the new adherents. Let them not regard it as the occasion for victory in some sort of cricket match or football match for which purpose one party has to pile up a tremendous score. In this context, I should like to refer to the wise words of a great son of India, a great Asian philosopher, the Buddha, who once said that the only real victory is a victory by which all are victors to the same degree and in which there are no real vanquished.

If this principle had been applied in some measure after the First World War, there might well have been no Second World War. At least, it is possible to maintain that view. Again, if some measure of this principle had been taken into account during the Second World War, there might have been—at least, this can be said—no Berlin problem today. My conclusion, therefore, is that we must make certain that the same mistakes are not made during the coming negotiations. Ever since the Napoleonic wars, Europe has bled almost to death as a result of Pyrrhic victories achieved over its own kindred. Let us have no more Pyrrhic victories, victories of words, phraseology, conventions and the like. Just let us have quite simply a united Europe.

I come now to a totally different topic. In my opinion, the British Commonwealth is one of the greatest political achievements of the British race. The multi-racial composition of the Commonwealth constitutes a convincing contribution to the conception of one world; and is not the conception of one undivided world the aim of human government on this planet, according to the modern version of international relations, and are not all international and regional structures means to that end? Hence, I want a strengthened Commonwealth. This strengthening can be brought about only by tying the Commonwealth to the existing economic potential of Europe.

In my view—I confess that I am somewhat in a minority—one of the attractions of the old EEC Treaty was that a certain relationship was established between the European side and the overseas territories, mainly to be found in Africa. I should like to see the same sort of relationship established, once the United Kingdom and the EEC come together, in respect of the Commonwealth of Nations. In my opinion, the best and the easiest way to achieve this would be to provide that the Commonwealth countries could apply for associate membership and that such associate membership could be granted to them by the EEC on such special conditions as would fit each case.

I am not thinking so much in the first instance of associate membership pure and simple but of a special form of associate membership which might, perhaps, be called affiliated membership. By affiliated membership I mean membership taken by non-European States to which would be applied only certain commercial arrangements, preferably on the basis of reciprocity where possible, as would prevail within the enlarged European Community.

There would then be three categories of Members. There would be full Members, that is to say, European States participating in all activities of the Community. There would be associate Members, European States participating in all activities but participating less in the political activities of the Commu-

nity. There would be affiliated Members, that is to say, non-European States participating only in certain commercial arrangements upon an agreed basis. I think that we should, if we planned the undertaking in that way, ensure that the European character of the organisation and all that has been achieved so far in the field of European integration would be safeguarded. At the same time, the organisation would, by the same token, become a more adaptable and flexible instrument in international trading relations.

I come now to the position of the so-called neutral States of Europe. As a Dutchman, I am, I suppose, particularly ill-placed to venture upon such a topic. After all, the policy of neutrality of my own Government was changed only after the Second World War. However, as a representative from a small country, I am, perhaps, better placed to say something on this score. The position of Austria is an exceptional one. Austria's neutrality has to be accepted by all Members. Mr. Toncic and Mr. Czernetz have eloquently put the case of their country before us today. There remains the position of Sweden and Switzerland.

In my opinion, neutrality is a viable proposition only if the country opting for neutrality has, first, a geographical position which is not vital to either side and, secondly, a strong defence. My contention is that Sweden's geographical position has become, in contrast to the past, a vital geographical position. Secondly, due to the development of modern armaments, the building up of an independent strong defence of sufficient deterrent value is, again in contrast to the past, no longer possible for any European State. I do not think that the point of geographical position applies to Switzerland, but the point of strong defence does. In the past one could say that there was virtue in having a neutral Sweden; virtue in that for Sweden, and virtue in it for Europe.

Times have changed, however, and it is my conviction that it is no longer an advantage to Europe to have a neutral Sweden, nor is it to the ultimate advantage of Sweden to continue adherence to the policy of non-alignment. I know that we can-

not here discuss military matters, so I shall go no further than to say that the views that I have expressed are more or less held by certain Swedish military gentlemen, as evidenced by what appeared in a publication called *Revue Militaire Générale* of June, 1961. Similar views with reference to Switzerland are to some extent also held by certain Swiss military gentlemen with regard to my point number two.

I hope that I have not offended my Swedish friends, and that they will accept my remarks in the spirit in which they have been made—one of great friendliness to Sweden but also one of concern about the future of Europe and of Sweden. I have spoken also in the spirit of one who thinks in European terms. I hope that Sweden will join as a full Member of her own free will. It would have been far easier for me, and would have saved time, not to have dealt with the Swedish position, but I hope that my Swedish friends are aware of the fact that very many people in Europe, inside and outside the Community of the Six, support the Swedish thesis of neutrality because if Sweden stays neutral and outside the Community it will be more easy for them to come to an agreement within the enlarged Community. To fit the highly industrial structure of the Swedish economy into the enlarged Community is not an easy matter, hence my reference to those who prefer to have Sweden outside. To achieve this goal lip-service is paid to the Swedish concept of neutrality. I only hope that the Swedish Government will take this hint to heart.

I wish godspeed to the negotiations shortly to commence between the EEC, on the one hand, and the United Kingdom, Denmark and Ireland, on the other. I hope many other nations, Europeans as well as others, will before long apply for membership.

The Chairman. — I call Mr. Bournias.

Mr. Bournias (*Greece*). — The dangerous situation which emerged from the Berlin crisis and the world tension provoked by the tough and provocative attitude of the Soviet Union has

deflected the attention of a large part of public opinion from the very important and full-of-promise facts that occurred in this same period. I mention the historical decision of Great Britain to apply for entry into the European Economic Community, an application that was followed by applications from Denmark and Ireland.

The developments that have occurred since April last, and the intransigent position taken up by the Soviet Union over the two crucial issues of West Berlin and of nuclear tests are causing serious concern to the peoples of the world and to their leaders. The Greek people, however, have had further cause for concern of a local character. I refer to the suspicious attitude of the Bulgarian Government following the brutal statement made by the master of the Kremlin that in the event of a new war he would not spare even the sacred rock on which the Acropolis stands.

By deliberately misrepresenting the defensive character of the military exercises periodically carried out by NATO, Bulgaria has considered the military exercise conducted by NATO in Thrace and Greek participation in it as an alleged threat against her. Under this pretext she, on the one hand, staged a spectacular military demonstration on the occasion of her national holiday, while, on the other, she officially announced that she had strengthened her forces along her southern frontiers after consultation with the other members of the Warsaw Pact.

In other words, the familiar policy of threats and intimidation inaugurated by the Soviet Union has now begun to be applied in the Balkan area also. While the Greek people are watching this situation with the closest attention, their Government is avoiding giving any provocation because it earnestly desires that the present acute international tension shall not be further aggravated by the addition of one more danger spot in the Balkans. Even so, we, as parliamentary delegates of a free country solely engaged in the peaceful task of economic recovery, have no choice but to denounce from this international

rostrum every policy of threats from whatever quarter these may arise.

Mr. Chairman, I have chosen to draw the attention of the Assembly to this new danger to peace which is developing in South-East Europe rather than to set forth my views on the relations between East and West or on the extent of the political role which can be played by the nations which have recently won their independence.

It rests with the Great Powers to deal with these grave issues. So far as Greece is concerned, she continues to play her part in a critical geographical area of Europe as a factor of peace, by pursuing, for the sake of her people, the common ideal of the Member States of the Council of Europe and of the other countries of the free world.

My country harbours no aggressive designs against anyone. All her efforts are concentrated today on economic development and on the improvement of the living standards of her people. She feels certain that the achievement of these objectives will be greatly aided by the Agreement signed in Athens on 9th July this year creating an association between her and the European Economic Community. The discussions which ended in this Agreement have had to pass through many and difficult stages but its successful conclusion now gives cause for great gratification.

As the Greek Prime Minister emphasised in a recent speech in Salonica, the successful implementation of the Agreement will demand a really great effort on the part of my country. Greece is determined to make this effort because she knows that this is the first agreement of its kind with the Common Market, which has aroused interest both among European and extra-European countries. Its success is bound to have a decisive effect in so far as many small nations are concerned both inside and outside the free world area. This is perhaps the first time since the war that democracy and the free institutions seek in actual practice the economic development of a small country,

whereas until now totalitarianism believed that this could be achieved only within its own area and by its own methods.

So Greece has every reason to falsify this myth and to assist the effective union of Europe which will be decisively promoted by the negotiations in progress with Great Britain, the opening of which was greeted by Greece as an important step towards the achievement of European union.

The Chairman. — I call Mr. Margue.

Mr. Margue (*Luxembourg*) (Translation). — Mr. Chairman, Ladies and Gentlemen, this Eighth Joint Meeting of members of the Consultative Assembly and of the European Parliamentary Assembly has, naturally, centred its discussions round the request by Great Britain and certain other countries that negotiations be opened with a view to their accession to the European Communities which, up to the present, have been known as the Communities of the Six.

There is no doubt that the discussions, which have taken place chiefly between the representatives of the Executives of the Communities and the Deputies of those European countries not yet Members of the Communities, have been fruitful. It is quite natural that the chief speakers from the Consultative Assembly of the Council of Europe have been the representatives of those countries which have not yet joined the Six.

It seems regrettable to me that, as I note from the list of speakers, apart from the Rapporteur, Mr. Kapteyn, and one or two other exceptions all were members of the Consultative Assembly and the voice of members of the European Parliamentary Assembly has rarely been heard. That does not seem to me to be quite in line with these joint meetings as originally conceived.

Perhaps there is a psychological explanation for this; the Session of the Consultative Assembly has scarcely begun, and that of the Parliamentary Assembly finished yesterday, which

means that a number of Deputies must already have returned home with a feeling of having done their duty. I think there is another reason, symptom of a certain mentality which must exist not only within the Parliamentary Assembly but also sometimes in a nebulous yet perceptible way in certain administrative circles of the Communities.

Does not the fact that the adjective "European" is so often used to describe the work of the Six—which is fully justifiable since the aim of that work is essentially European—sometimes make us forget that the Six do not comprise the whole of Europe? I feel even more justified in making this observation because I myself am a member of one of the countries belonging to the Communities of the Six. Europe extends beyond the Six; Europe extends beyond WEU; Europe extends beyond the Council of Europe.

One of the Consultative Assembly's agencies reminds us of this fact from time to time; it is the Committee on Non-represented Nations. This body deals with all those European countries which, for one reason or another, are not with us, whether because a particularly strict conception of neutrality has prevented their acceding entirely to the Council of Europe or whether their national system of government is not, in our view, sufficiently democratic, or even, what is most probable, whether it is because a large number of them are not masters of their destiny and are for the moment under the yoke of Soviet imperialism.

We nevertheless think of these countries and, as far as possible, we are anxious to associate them with certain of our activities. But would it not be necessary to create at the European Parliamentary Assembly also a kind of Committee on Non-represented Nations, were it only to remind us that these nations are also part of Europe?

We at the Council of Europe have a number of countries—their representatives have just told us so—who do not yet feel able to join the European Communities, at least not as full Mem-

bers. Whether we approve or disapprove of the reasons for this attitude the fact remains.

Nevertheless, all these countries have shown that they are aware of having something in common with the other European countries. They have proved it by belonging to the Council of Europe and by co-operating in a series of joint undertakings, in the OEEC and in other enterprises.

Should a meeting such as this joint assembly not also provide a forum for discussion between members of the Parliamentary Assembly and representatives of the countries which are not members of that Assembly?

People will say perhaps that the forum for discussions between the six countries and the others is the Consultative Assembly. That is true; we establish this contact in all our meetings. However, it is a fact that at the present time the majority of delegates from the six countries who are members of the Consultative Assembly are not those who sit on the European Parliamentary Assembly. Perhaps this was not the case in the beginning, but not doubt it is inevitable. A Parliamentarian who must occupy himself with national politics and European politics at the same time and perhaps also carry on an outside profession will find, as most of them have agreed, that it is too much to ask anyone to work on the two Assemblies. It seems all the more necessary to me therefore that these joint meetings should provide an opportunity for effective discussions not only between representatives of the various countries of the Community of the Six and of the other countries—which is what we do at the Consultative Assembly—but particularly between members of the European Parliamentary Assembly and members of the Consultative Assembly.

I dare to hope, then, that at a forthcoming joint meeting, for I suppose that the tradition will persist, there will be more lively discussion in this respect. Perhaps it was natural that discussion of our chosen theme here should result in the representatives of the Executives of the Communities being ad-

dressed rather than their colleagues from the other Assembly. This fact does not seem a happy one to me.

His Excellency, Mr. von Merkatz, has reminded us of the decisions taken by the Governments of the six countries during the past year, decisions which encourage increased co-operation not only in economic matters but also in the political field which is one of the aims of the Rome Treaties. The Treaties do not indicate to us what form of organisation will finally materialise; but, it seems obvious to me that the new Members of the Communities will have to have their say for the same reasons as those who already belong.

This co-operation appears to be an obstacle to some countries' joining the Communities as full Members. We must understand their reasons for this. I shall even say that we must understand even if we do not feel able to approve them personally. But we must not conclude that on account of their attitude such countries must remain estranged from us and treated as rejected articles.

It is a fact that, of the countries which wish to remain neutral, some are members of the Council of Europe, which proves their desire to co-operate—at least in certain fields—with all the other European countries.

It is also a fact that there are some activities where co-operation with the Fifteen has been realised—the Fifteen who have become the Sixteen with the entry of the Republic of Cyprus into the Council of Europe—which all goes to prove that the magnetic force of the Council of Europe is not yet dead. I believe anything which can possibly be done by the Sixteen should not be accomplished merely by the Six, the Seven or the Nine. Anything which can be done by the Nine should not be left merely to the Six and what can be done by the Six should not be done merely by two States.

Two years ago there was much talk of rationalising the European institutions. I remember that at that time there was

discussion of why, for example, Western European Union occupied itself with cultural activities while the Council of Europe did the same, but independently. It was then decided, not without a certain resistance from the Assembly of Western European Union, that the cultural activities carried on by that Organisation would be transferred to the Council of Europe; this was done. We note today that there is some tendency to resume cultural activities, not within the framework of the Seven as in the case of Western European Union, but within the framework of the Six. We note—the Governments themselves have told us so—that it is intended to develop cultural activities within the Six and we know of an undertaking now being worked out which, initially at least, was to be put into effect by the Six: I refer to the European University.

I wonder if that is in line with the decisions taken two years ago by the same Governments who today are deciding to institute cultural activities at six-Power level.

As far as I have learned at the Consultative Assembly there is no obstacle and no opposition, within the framework of the Consultative Assembly at least, to pursuing in common, within the framework of the Council of Europe of the Sixteen, certain cultural activities in the broadest sense of the term. I believe that an appeal has already been launched in the Consultative Assembly and will no doubt be repeated during the coming Session to have the European University established not by the six countries alone, but by all the European countries who wish to co-operate in the undertaking.

If I say that everyone at the Consultative Assembly is agreed that cultural activities should be carried on by the Sixteen as a whole I think I can say the same for the Committee of Ministers of the Council of Europe. The Committee of Ministers which, in the opinion of the Consultative Assembly, shows too little initiative, at least in cultural matters, has informed you in a statement presented to the Assembly of a number of projects originating in suggestions made by the Secretary-General of the Council of Europe. These projects are cultural in intention

and the Committee of Ministers says it is in process of working them out and promises to submit detailed texts to the Consultative Assembly very shortly. Let us not forget that the Governments of the six Members of the Community are also represented on the Committee of Ministers of the Council of Europe. One wonders sometimes if the right hand really knows what the left hand is doing!

I should like to close by appealing to all whom it may concern not to lose sight of the fact that Europe is greater than any of the organisations which may now be striving to give it concrete form. Everyone everywhere must realise this. I hope that, as a symbol of a unified Europe which has not yet been brought into being but which must already exist as an ideal, the single European flag will be maintained and that the various European organisations will not each set about adopting individual flags. (*Applause.*)

The Chairman. — I call Mr. Hagnell.

Mr. Hagnell (*Sweden*). — Mr. Chairman, Mr. Duynstee brought into the discussion a subject which we have no time now or in the near future to consider in detail. I refer to the problem of Swedish neutrality. He said that it was of no advantage to Europe or to Sweden to have it. This is something which could be discussed elsewhere, in the United Nations and similar places. It is a realistic approach to the matter to accept the policy in regard to neutrality which is stabilised in Sweden. I need not go into the background of it. It is realistic to accept it as it is, and this is why it is realistic also to accept the possibility of discussion between Sweden and the EEC concerning what it is possible to do according to Article 238 of the Treaty of Rome and not under Article 237.

Yesterday and today we have been informed about the favourable material development of the EEC during the past four years. The many percentage figures of success are quite impressive. It is understandable that these figures have convinced the founders of the EEC that the step they took was the right one.

It is obvious also that these records of success attract outsiders who themselves have not experienced similar favourable industrial and commercial development in recent years. We have to understand that and appreciate their position when they now wish to trade their slim record of development for the better record of the EEC.

Whatever may be the result of the coming negotiations, the EEC will in future be of significant value for the economic and political development of our part of the world, but the record of success presented to us by Mr. Hallstein gives rise to a doubt whether there is reason for the EEC in future to keep its rather protectionist tariff wall against outsiders whether these outsiders be less industrially developed countries or not.

Some countries which are better off industrially still wish to export their manufactured goods to their old markets in Europe and to continue to import goods to meet their need for other industrial products from countries within the EEC market. In some of these States outside the EEC the cost of production is considerably higher than it is in certain countries. This could create difficulties in the reduction of their import tariffs to the extent which would now be possible for the EEC, according to the figures presented to us.

In this respect, I was glad to learn from what Mr. Hallstein said yesterday that the EEC has accepted a proposal from the United States Minister of Finance, Mr. Dillon, to negotiate over a considerable reduction of import tariffs. It is formally right that the common import tariff wall of the EEC is an average of that of the participating countries; but the real effect against third countries of the development now in progress towards that common wall implies tariff increases where the third countries have had their markets and tariff reductions where they have not had any market and where they have small chance of ever getting one under the system of the EEC. I express the hope that the Americans will be successful in the work for that considerable reduction in the EEC import tariff system mentioned by Mr. Hall-

stein yesterday. Such a reduction would be favourable to all of us who believe in expanding free trade in the free world.

The Chairman. — I call Mr. le Hodey.

Mr. le Hodey (*Belgium*) (Translation). — Mr. Chairman, like Mr. Heckscher and Mr. Czernetz this morning, I shall begin by congratulating President Hallstein not only on his speech of yesterday but especially on the success of the Common Market. But unlike Mr. Czernetz I shall not say to him: Mr. Hallstein you have won, take pity on the vanquished, be a merciful victor.

I shall not say that for two reasons: first of all, because there is neither victor nor vanquished. Listening to Mr. Macmillan a short time ago one might have wondered who had been vanquished unless it was the Common Market which was obliged to turn to outside help to maintain its existence and prosperity. There is neither victor nor vanquished; there is a political-economic formula which has been successful.

The second reason why I shall not speak in those terms to Mr. Hallstein is that he has proved that if by chance he were a victor he would be a kindly victor, for he is a statesman and, as Mr. Macmillan would certainly agree, he is a great European.

But I shall say to Mr. Hallstein, or more precisely to Mr. Rey who is representing him today in this debate: "Beware of success!"

Let me explain. After the liberation we set up flexible organisations comprising all the free European States: the Organisation for European Economic Co-operation and the Council of Europe. We very soon realised the shortcomings of these organisations. They gave good results, but after a while their vigour ceased. Was it the rule that decisions must be taken unanimously or the fact that certain Member States acted as a constant brake on all negotiation? At any rate these institutions became paralysed. They took no more decisions.

Later, a second phase of European evolution took place. The Six set up among themselves more rigid institutions which

bound the States to a greater extent and they made an effort to achieve political unity through economic unification. This formula gave rise to much criticism as Mr. Vos reminded us a short time ago. I remember the Session of the Joint Meeting in January 1959 and of the atmosphere in which it took place.

Today, on account of the application by the United Kingdom to join the Common Market we find ourselves in the presence of a third phase of European policy. First of all because the United Kingdom, which was probably the country most opposed to the rigid system worked out by the Six, is asking to be admitted and to play its part, and secondly because the accession of the United Kingdom to the Common Market destroys the more or less stable balance which has established itself in Europe since 1958 and raises very difficult problems for the other European countries and in particular for the neutral countries.

Whether we wish it or not, the historic decision by Mr. Macmillan, reversing the policy followed by Britain since the war, convincing almost all his party and his political opponents, convincing even the Commonwealth on this reversal of policy, the British decision, I say, raises the whole problem of European economic and political relations.

How is this problem to be solved? By the accession of all free European States to the Common Market? That would be the simplest solution but it would also be the least satisfactory. That it would be the simplest is obvious. But why would it be the least satisfactory? We know perfectly well! The Communities are economic organisations with political aims. The aim of their promotors is not only to do away with the obstacles to trade, but to create a common economic policy which must necessarily culminate in a common policy and in political institutions.

For perfectly legitimate reasons certain European countries do not favour this political objective. They would deceive both themselves and the Six by belonging to the Common Market. That is particularly the case of the neutral countries whose cause was pleaded this morning by MM. Heckscher and Czernetz;

those neutral countries, if Mr. Duynstee will forgive me, which are so useful and so likeable, those neutral countries which are not neutralist, as they have been at pains to tell us, those neutral countries which as MM. Heckscher and Czernetz have shown us, can be extremely pugnacious when called on to defend their point of view.

To all those European countries who do not favour the political aims pursued by the Six, the Communities should, without hesitation, offer association agreements based on Article 238 of the Rome Treaty, agreements which would ensure for these countries the maintenance of the traditional trading currents and would re-establish the necessary climate of confidence and co-operation between Europeans.

Like Mr. Vos, I insist that in spite of the heavy task which they have undertaken, the Commissions should count among the most important of their duties the need to solve the problem of these small countries. It is perhaps because I myself belong to a small country that I feel it particularly important that we should concern ourselves with the smaller nations. They carry least weight at international level, their interests are the most precarious, and a large organisation like the Common Market has a duty to look after their interests.

Only through association will a solution be found to the trading and tariff problems which are likely to be raised by the Common Market.

Accession to the Common Market must be reserved for those countries which are anxious to proceed with the political and economic unification of Europe, which wish to accept not only the regulations imposed by the Treaty of Rome but, as Mr. Hallstein said yesterday, those which result from normal developments and, as Mr. von Merkatz has just said, from the declarations made at Bonn with everything they imply.

Speaking of the States which wish to follow these directives and follow this line of action, I should prefer to follow the

advice of my friend Mr. Etienne de la Vallée Poussin and use the expression "peoples" rather than "States." The question is whether these peoples intend to belong to a community. The community will not develop, will have no life, unless it is an assembly of peoples who wish to work out a common destiny.

Gentlemen, when I say to you "beware of success" it is because I fear that some States, seeing the success of the Common Market, are anxious to belong to it for valid economic reasons but neglect the fundamental political aspect.

Do the peoples of these States really wish to link their destiny with that of the peoples of the Six? The Six are the shaft of the lance of the European idea. This shaft must not be blunted under pretext of broadening it. You must ask the candidates to examine their conscience and make an honest criticism of their intentions.

Do they wish to belong to the club so as to carry out the same political offensive because they think today's rules are acceptable, or do they wish to do so in order to work out together rules for tomorrow which will go further than those of today?

Beware of your success, I say to you, members of the Commission, because I am afraid that there has not been sufficient scrutiny of the limits of an institution such as the Common Market.

The balance established between the powers of the Commissions and of the Ministers operates satisfactorily because there are six Member States; how would it work if there were sixteen Member States, for example? It is highly probable that the entire balance of power would have to be reviewed in such a way as to strengthen the power of the Community authorities. Yet that seems impossible as certain States belonging to the Six might not now sign the Rome Treaty if asked to do so. On the other hand, if the Treaty were to be amended to increase the powers of the States and cut down those of the Community institutions, we run

the risk of falling back into the OEEC system, the faults of which are known to us all.

Beware of the success you have had, Gentlemen, for it is so great that you run the risk of not realising the principal reason for it.

Mr. de la Vallée Poussin told me recently that one of the reasons for the success of the Common Market was the speed with which events had taken place, decisions been taken, and the work of integration initiated.

When it became obvious that the Common Market was really taking shape, trades union leaders, employers and politicians in each of the six countries—in fact everybody—backed the Common Market. It was the speed with which you did things which brought you suceess.

It was also Mr. de la Vallée Poussin who said to me that it was like riding a bicycle, you keep your balance as long as you keep going. But you must not brake or stop. A stationary bicycle is bound to fall down.

Make sure that these international negotiations do not hold you up, for the bicycle might fall down. These international negotiations must not slow up the speed of the Common Market bicycle. On the contrary, you must go faster, particularly in the matter of merging the Executives.

The negotiations which you are about to open with a view to new accessions to the Common Market are an opportunity for you to consolidate the authority of the Community institutions by giving them their full part to play in this matter.

Beware of success, Gentlemen. It is great, it is a fine thing! For the good of the entire free world, of the Six as of the others, and also of the neutrals who so much need a strong free world to facilitate their existence, the Common Market must succeed and strengthen its unity.

You, Gentlemen, are the protectors of the spirit of the Treaty of Rome. Take care that it is not lost when new Members join! Remember the words of the Scripture "if the salt have lost its savour wherewith shall it be salted?" If the salt of the Common Market lost its savour, what would in effect remain of European policy?

Mr. Chairman, yesterday evening in a conversation with one of the members of this Assembly after Mr. Hallstein's speech, my colleague, whose mother tongue is a teutonic language, said to me "it was Siegfried." It does not make me think of Siegfried but of the Holy Grail, of King Arthur and of the Round Table and I say to you "Gentlemen of the Common Market, apply the motto of the Holy Grail "Follow where fortune leads you." (*Applause.*)

The Chairman. — I call Mr. Preti.

Mr. Preti (*Italy*) (Translation). — I have been induced to say a few words by the very interesting speeches from representatives of two neutral countries—Austria and Sweden. I think that when Great Britain has joined the European Economic Community the Community will be so powerful that it ought to display a very broad-minded attitude towards the smaller neutral States.

The reasons given here today by the Austrian and Swedish speakers to explain why their two countries cannot abandon their neutrality to enter the European Economic Community are so convincing that, in my view, they do not even call for discussion. Switzerland's reasons might perhaps be open to argument, but in her case there is an age-long tradition; indeed, Switzerland has not even joined the United Nations Organisation.

We are convinced that these small neutral countries belong to the West in spirit and can probably render the West services in their actual position which they could not in another. Hence we Italian Social-democrats do not propose the impossible; in other words, we do not propose that the European Economic

Community should encourage a form of accession which would make these countries full Members of the Community.

The European Economic Community has political organs and also pursues political ends. For that reason neutral States cannot be full Members, just as—in my opinion—States such as Spain or Portugal, which are not governed by democratic methods, ought not to become Members.

We believe that some of very close association with the European Economic Community should be devised for the neutrals. It is true that the Treaty of Rome does not provide for this case, but there is certainly no insuperable obstacle.

In conclusion, I believe that Europe, in the general interest, should be built up together with the neutral countries; I think it would be a grave mistake if free Europe, at the moment when Great Britain became part of the European Economic Community, were somehow to thrust those countries into limbo. That might be playing the other side's game. Besides, the day may come—for political conditions are not immutable in this world—when a new international situation could perhaps enable those neutral States to become full Members of a larger and richer European Economic Community.

The Chairman (Translation). — I call Mr. Rey to reply on behalf of the Commission.

Mr. Rey, *member of the Commission of the European Community.* — Mr. Chairman, Ladies and Gentlemen, my reply to the many interesting speeches by members of this joint Assembly can be but sketchy. First of all, on account of the time, but also because I have certainly not the authority—and I know of no-one who would have—to reply to all the questions which have been raised.

I am speaking here on behalf of the Commission of the European Economic Community but this Commission is not the only institution in that Community, which itself is not the only

European Community. The three European Communities have never claimed to be the whole of Europe. Consequently, I repeat, I can make only partial replies to the speeches we have already heard.

Neither can I consider replying individually to each speaker in the 15 minutes allowed me by the President; I am sorry about this, as we have heard many truly interesting things which we shall have to re-read. There have been compliments and criticisms. I think both will be useful and make us reflect on the successes we have had—perhaps on the defects of the work we have accomplished—and on the progress we shall have to make tomorrow.

However, the Assembly would be greatly surprised if I did not say a word about a speech which filled me with amazement because it involved, in a way which I, personally, feel to be unjust, agressive and unfriendly, my President, Mr. Hallstein.

The reason why Mr. Hallstein is not present at the end of this meeting is that our Commission is this evening receiving officially in Brussels the Assembly of the Inter-Parliamentary Union which, as you know, assembles in Brussels several hundred members of the Parliaments of some thirty countries and this is also one of the reasons why only one other member of the Commission, my Italian colleague, Mr. Levi Sandri, is here with me.

My President has therefore had to leave this Assembly. I think he would have been dumbfounded had he heard the words used to describe his speech yesterday. I do not think, Ladies and Gentlemen, that the criticism was just. I heard the speech; I re-read it this morning and I have tried in vain to see some justification in it for the comments made, as though Mr. Hallstein had not quietly made a contribution which I consider to be peaceful and even friendly to solving the problems facing us now.

Nor do I think that the tone used was suitable for addressing members of a club which one is anxious to join.

Finally, I would say that I found no trace in this speech of the confiding and friendly atmosphere in which my President, I myself and my colleagues on our Commission carry on our always effective relationship with the members of the British Cabinet and senior British Civil Servants. On several occasions we have received various Ministers—and not the least important of these—including the Lord Privy Seal, the Minister responsible for European Affairs, Mr. Heath. We have been invited to London. We have always been received with great friendliness there. Our officials are in constant touch. It is precisely to these friendly contacts that we owe a better understanding, on both sides, of our common problems. (*Applause.*)

I shall not insist further. I do not wish to be diverted from the more important remarks I have to make. Consequently, after this secondary incident I come to the main point.

The main point is first to rejoice over what we are doing at this moment, which seems to us to be of considerable political and economic importance in Europe. In our establishment we all rejoiced about it immediately from the first day, and I believe that this joy is in no way one-sided.

We should be misinterpreting the position in Europe if we imagined that any of the European countries, either large or small, was coming, I might say, to Canossa after years of discussion. On the contrary, I believe that we must all be glad that we are now, after some years, reaching the point where we understand each other better, or are better understood, and that consequently we are able to work out together a policy which will be common to all of us.

Our first feeling is of profound satisfaction, which was felt by this entire Assembly. I can draw an immediate inference from this—that these negotiations must succeed. We could not rejoice today if we had the prospect of failure befure us. If we wish them to succeed, this means, Ladies and Gentlemen, that each one of us included will obviously have to approach them in a constructive frame of mind, with the desire to co-operate, in the

spirit of conciliation and also imagination which are necessary to work out joint solutions.

In this brief speech I should like to mention a few of the questions we shall have to solve.

What is the chief difficulty on the Community's side? What are the difficulties liable to arise for the other European countries?

Skipping the details, I think that on the Community's side the major problem is to see to it that, in this new development, the Community does not lose its creative dynamism. That was stressed a moment ago by a member of this Assembly and others too have said so. It is true; it is essential that we should not lose our creative dynamism. That means that we cannot expect our Community to embrace the whole world, for then it would really lose its efficacity. It means also that we cannot slow up our progress, that we must now, at the end of this year, do our best to go on to the second stage, and if possible further speed up our progress. Finally, we must resolutely pursue the aim of building common policies which are now being worked out within the European Economic Community.

That, it seems to me, must be our own concern.

On the British side—I speak of our English friends first—they have clearly said that they are worried, and that, I hasten to add, is perfectly legitimate.

It is quite legitimate that the British should be concerned about their present relations with their partners in the European Free Trade Association which evolved from the Stockholm Treaty, and that they should not merely ask themselves what place they will have in the new Association, but also how their associates will be treated. It is also right that they should be looking for a means of reconciling our system with the agricultural techniques which they have every right to have—and I do not say that they are less good than ours, I merely say that they are different.

On both sides therefore, we shall have to seek solutions acceptable to both parties. Finally, like so many others, I should like to say here that it is right for Great Britain to approach these negotiations while at the same time wishing to preserve the special ties which unite her with the other Commonwealth countries.

Ladies and Gentlemen, it is obvious that this is a difficult problem. It is clear that if we adopt the attitude that it is impossible to maintain the special ties between Great Britain and the Commonwealth because they would conflict with the adoption of our common external tariff, we should be placing our British partners in a very difficult position, not to say an untenable one. If they themselves wished to maintain all their present provisions exactly as they are without adapting them to this new Community into which they wish to enter, they would be placing us in a very uncomfortable position.

It is probably somewhere between these two extreme positions, which in all probability will not be adopted either by one side or the other, that we shall have to work out joint solutions with patience and imagination.

I should like to specify here the spirit in which we are approaching these negotiations. No responsible European statesman has ever contested or mistaken the importance which the Commonwealth represents for all the relations of the free world, and I am happy that his Excellency, Mr. von Merkatz, barely an hour ago once more reminded the Assembly of that fact.

There, Ladies and Gentlemen, is the heart of the problems we shall have to face on both sides and which we shall have to reconcile in these negotiations.

But Great Britain is not the only country involved.

There are other European countries which have also asked or are about to ask to join our Community. Their difficulties are real. They are perhaps somewhat different, but we cannot deny

their existence. I think that we shall have to face them and that all negotiations will have to be opened simultaneously.

I can make no definite prophecy here since the procedure has not yet been decided and the Council of Ministers must discuss it on Monday. But I think that a general current of opinion is forming in favour of the view that European countries cannot be asked to wait patiently for an indefinite time, the duration of which I cannot take it upon myself to estimate, until negotiations with Britain have been completed, before negotiations with them are opened.

It seems probable to me that these negotiations will all be opened together and that later one or other will take priority which will be understandable because it will be more important than the others. At other times certain problems such as the agricultural question will have to be dealt with jointly.

A short time ago we heard a Danish Representative say that he thought it would be difficult to complete negotiations between the Community and Great Britain and only after that to open negotiations with Denmark. We fully share this view in our Organisation. I do not see the difficulty in reconciling the need to deal with the main point while at the same time dealing with the other problems so that the conclusion to all is reached at practically the same moment.

Thus there remains—which is perhaps more delicate—the position of those countries which, at the present moment, either for geographic or historic reasons or for some other reason judged necessary to themselves and which we do not have to judge, do not at the moment feel able to join the European Community. I think that the discretion evidenced by President Hallstein on this point in his speech yesterday is really the wisest position.

I was somewhat surprised to hear one of our Austrian colleagues say today that this silence was neither very encouraging nor indicative of good will. It seems to me on re-reading the text of my President's speech, that it could scarcely be

described as a silence. But I wonder if these States, which have every right to be the first to hold views on their own political destiny and the line of action, would not have been extremely shocked if a representative of the European Economic Commission had taken the liberty, before the countries concerned had had time to express themselves, of outlining from the Commission's point of view, some sort of programme as if it were up to us alone to award prizes, perhaps of various qualities and to decide that the place of one or other country is here or elsewhere.

In my view, it is wise for our Commission not to have expressed anything more than good will at the present stage. I entirely share the opinion of those who said a moment ago that, with regard to the countries which could not—or which do not think they can—yet belong to our Community we shall have to work out with them on the basis of friendship forms of economic co-operation perhaps of a different nature but whose political quality will certainly not be less—for there are no degrees in this field—than that which could be adopted by others.

It now remains for me to speak of the political problems about which I think a word must be said, and thus I reach my conclusion.

It is clear, Gentlemen—we have heard it from those who have the best right to say so and even, on 31st July last, by the British Prime Minister, Mr. Harold Macmillan—it is absolutely clear that the Rome Treaty, the European Communities, are not merely an institution, an economic conception or function but that they have a basic political meaning.

On this point, I had the impression, while listening to a number of speakers in this Assembly, that there were several different conceptions of that political meaning. How could we be surprised at this since in our Community—why should we pretend to be unaware of the fact—there are also among the Europeans of the Six various shades of opinion—that is the least one can say—on what the conception and political form of the Europe of the Six must and will become.

Gentlemen, to those who come to us now from outside our Community we shall simply have to say: our Community is a political organisation and is destined to become even more so. The Treaty of Rome must not be considered as the last word in European wisdom. It is only a stage in the process of the economic and political integration of our Continent, an integration process which began in its present form, it seems to me, in 1950, and which, in my view, we must firmly hope that our generation will lead to its final conclusion. That means that our States, the Six, will be obliged, in the near future, to think of getting together more than they have done so far.

When I read the Rome Treaty, for example, and see that the problems of the balance, of, payments are not yet Community problems, that the economic and monetary policies are not yet Community problems, I do not think one need be a genious to say that these questions will very shortly have to be solved within the Community and that our Member States will also, by the process which has now begun, have to agree to pool more items than they have done so far.

To those who come to us from the outside we shall have to say: You must be ready to accept what we have done up to now as the political meaning of our treaties; you will also have to be ready to continue this road with us. What this road will be like, the speed with which we shall cover the ground, we shall naturally decide together when the others have joined our Community.

It is clear however, that it is a continuous process of economic and political integration of Europe in which we have now engaged ourselves.

Those, Mr. Chairman, are the ideas I had to present to you. I think this exchange of views has been useful. Not in our national Parliaments, not in our European Parliamentary Assembly, not even, if my memory of the time when I was a member is correct, in the Consultative Assembly of the Council of Europe, has anyone considered that the Parliaments had the

duty of working out detailed technical formulae of the policies to be pursued. That is the work of the Ministers, of the Governments, of the Executives, of the administrations and of the technicians.

On the other hand, the Parliaments—they have shown so many times in the history of our countries or in that of our Europe which is taking shape—have been the political centre for the airing of new ideas. It is here that so many things have been born which have enabled our Communities to be founded and other European organisations which now see the light of day.

Consequently, whether we met here, whether we discussed our problems in those Assemblies, whether we tried to find the state of mind and later the formulae which will enable us to unify the European continent that is the great task before us which, since 1949, has constantly been worked out in this establishment and to which, in closing, Mr. Chairman, I wish to pay homage. (*Applause.*)

The Chairman. — Does Mr. Kapteyn wish to reply?

Mr. Kapteyn (*Netherlands*) (Translation). — I shall be glad to reply briefly to three speakers who have made mild criticisms. There is Mr. Junot, who reproached me with not having devoted enough attention to Euratom, of not having said enough about neutrons; then there is Mr. Czernetz, who complained that I had not said enough about neutrals; and finally Mr. Moutet, who thought my chapter on agriculture inadequate.

When I was talking about agriculture yesterday, I said straight away that I had many inadequacies, one of them being that I had no understanding of agriculture.

Another of these deficiencies is that I am not in the least a historian. I therefore fully realise that the picture I have painted of the debates in the Parliamentary Assembly can, at the best, be compared to a canvas by the famous American woman pain-

ter, Grandma Moses. She is certainly a naturalist, but very primitive. She is certainly an old lady, but not an old master, nor yet a great master. So I appreciate clearly that I have not achieved my purpose, and I will therefore try to round off what I have said.

As regards Euratom, it is hardly necessary. On some points where I went astray, Mr. Junot made such excellent additions that I need say no more.

With regard to the European Parliamentary Assembly, he found that I was not quite right to compare its procedure with that of a parliament working under a coalition Government. I fully agree with those who argue from the standpoint of certain countries. Perhaps I made the mistake of being too chauvinistic. I set out from the standpoint of my own country, where there is a coalition Government which works extremely well, although in another country the existence of a coalition Government may lead to stagnation. So we are really in agreement on that point.

With regard to agriculture, I would nevertheless remind our Nestor, Mr. Moutet, that I said, when speaking of the difficulties of the Commonwealth, that, if my assessment of the situation is correct, the European Parliamentary Assembly holds that a solution must be found to the problem of the Commonwealth.

On this point I fully share—as I said here yesterday—the attitude just described to us by Mr. Rey.

I said that the European Parliamentary Assembly would only reject an arrangement which would jeopardise the realisation of a common agricultural policy. In other words, I said the European Parliamentary Assembly was pressing for a common agricultural policy.

I agree entirely with Mr. Moutet: without a common agricultural policy—this is also true of other spheres, although one sometimes forgets it—we shall never have a community, and

the whole business will be out of control. The common agricultural policy, with all its attendant difficulties, comes before everything else. I fully agree with Mr. Moutet on this point.

With regard to the neutral countries, to which I am supposed to have devoted too little attention, I said that I thought arrangements must be made to meet their case.

Mr. Czernetz said—if I heard properly—that allowance must be made for people who could not go all the way. If that is what he said, I absolutely agree. On the other hand, those who can go all the way will have to decide for themselves whether they are prepared to accept that. Those who cannot follow are therefore under a certain pressure.

At the moment, Europe is crossed by an "iron curtain." There has been talk of the "little Europe" of the Six. When some other nations have been added to it, it will still not be greater Europe; there are yet other European countries. I can scarcely imagine any Government in Europe wishing EEC to pursue a policy which allowed the iron curtain to be moved farther West.

I do not think there is anything more to be said about the neutrals.

With regard to the comments on political co-operation, I have nothing to add to what Mr. Haekkerup and Mr. Rey have said on the subject. Since the situation has been stated so clearly, I shall not try to add anything or to give the impression of wanting to put things still better. Everything has been said very clearly, and I shall refrain from further comment.

The Chairman. — I call Mr. Sassen.

Mr. Sassen, *member of the Euratom Commission.* — Mr. Chairman, I ask to be allowed to add one small point.

The Rapporteur, Mr. Kapteyn, to whom I should like to express appreciation, said in his general statement and his replies

that what was lacking in his report on Euratom had been supplied by Mr. Junot. In this respect, it should be added that what was lacking in Mr. Junot's report was supplied by the oral statement made yesterday on behalf of the Euratom Commission by its President Mr. Hirsch.

I was anxious to make this clear, and thank you for listening to me.

The Chairman. — Does anybody else wish to speak?

The debate is concluded.

On behalf of my colleague, Mr. Furler, and myself, I should like to thank the members of the European Commission and the representatives of the High Authority and Euratom for once again having collaborated with the rest of us in confronting the European institutions of the Six with the rest of Europe. Since our last Joint Meeting there have been big steps forward. None of us can as yet see how quickly they will bring about results, but we can all hope that they will lead to speedy results, when we may meet in still closer co-operation, all of us.

Closure of the Joint Meeting

The Chairman. — I now declare the Eighth Joint Meeting of members of the Consultative Assembly and of the European Parliamentary Assembly closed.

(The Sitting was closed at 7.30 p.m.)

Printed in Belgium