NINTH JOINT MEETING

of the Members of

THE CONSULTATIVE ASSEMBLY
OF THE COUNCIL OF EUROPE

and the Members of

THE EUROPEAN PARLIAMENT

OFFICIAL REPORT OF DEBATES

STRASBOURG

NOTE

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

The latter are denoted by letters as follows:

(*G*) = speech delivered in German.

(*I*) = speech delivered in Italian.

(*N*) = speech delivered in Dutch.

(*F*) = speech delivered in French.

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

CONTENTS

Sitting of Monday, 17th September 1962

Mr. Gaetano MARTINO, President of the European Parliament, in the Chair.

Sitting of Tuesday, 18th September 1962

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

FIRST SITTING

MONDAY, 17th SEPTEMBER 1962

IN THE CHAIR: Mr. GAETANO MARTINO

President of the European Parliament

The Sitting was opened at 3.10 p.m.

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

1. *Opening of the Joint Meeting*

The Chairman (Translation). — I declare the Ninth Joint Meeting of the Consultative Assembly of the Council of Europe and the European Parliament open.

I would remind you that the Rules of Procedure applicable are those adopted on 29th June 1953.

2. *Programme*

The Chairman (Translation). — This afternoon's agenda is as follows:

— Presentation of Mr. Edoardo Martino's report on the activities of the European Parliament from 1st May 1961 to 1st May 1962 (Doc. 48);

— Statement by Mr. Georges Margue, *Rapporteur* of the Consultative Assembly of the Council of Europe;

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

— Statement by Mr. Sassen, replacing Mr. Châtenet, President of the Commission of the European Atomic Energy Community;

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

The exchange of views between the members of the Consultative Assembly of the Council of Europe and the members of the European Parliament will begin tomorrow morning at 11 o'clock. And the proceedings will be resumed at 3 p.m., when Mr. Edoardo Martino will reply to the intervening speakers.

I would ask all Representatives who wish to speak to put down their names in Room A.68 before the end of this afternoon's sitting.

3. *Chairman's Address*

The Chairman (Translation). — Ladies and Gentlemen, the President of the Consultative Assembly of the Council of of Europe, Mr. Federspiel, has graciously offered me the honour of presiding over the first part of this Joint Meeting of our two Assemblies. I therefore have the opportunity (of which I shall avail myself with due restraint) of saying a few words by way of introduction to the political debate to be held on the basis of the admirable report presented by Mr. Edoardo Martino on behalf of the European Parliament.

On several similar occasions in the past, including that when I had the honour of being *Rapporteur* in 1959, emphasis has

rightly been laid on the importance and significance of an event which expresses the free and open spirit that inspires the European Community. This time we are being given an opportunity of reflecting on the progress achieved by the European Community and the fresh vistas that seem to open before it in the near and distant future. Considerable progress has been made along the road of economic solidarity, and new developments have confirmed the possibility of further advances in the unifying process in Europe. As a result, this report by Mr. Edoardo Martino will, more than any previous one, call for conscientious consideration by ourselves and by all those engaged in the task of patiently building the new Europe.

The progressive strengthening of Community action has not only further consolidated the foundations of the structure commenced by the Rome Treaties, but has made it an essential factor in that general system of balances which enables us to preserve the precarious peace we enjoy today in the hope of a more secure and stable order in the future.

Increasing success in the field of economic integration must not, however, induce us to pause, satisfied, on the long and difficult road on which we have set out. We should, rather, draw from it fresh energy for further conquests. It would be a grave error to halt at the stage now reached or to slacken our efforts in the work we have taken in hand, forgetting that its purpose is to establish wider and more complete forms of association between the countries of Europe.

The ideal which has constantly spurred on and guided the activities of the Consultative Assembly of the Council of Europe and the European Parliament can never be translated into reality unless the Community-Europe of today gradually extends its boundaries to include the whole territory of the Greater Europe. The Common Market has not been brought into being as an end in itself but as a means towards a higher goal: the political unity of the free peoples of Europe. It was conceived at Messina and established through the Rome Treaty as an open, not a closed, system, capable of continually enlarging itself and assum-

ing new tasks. Anyone who wonders how it has succeeded so quickly, beyond the most optimistic expectations, in becoming a shining example, a centre of attraction both in and outside Europe, will find the whole explanation in the spontaneous drive, the inherent capacity for expansion, of the European Common Market. To cramp it within its present boundaries would be to clip its wings, to jeopardise what has already been achieved and to condemn it to a fatal decline.

We live in a rapidly changing world, and we know that movement is the law of life. We cannot, therefore, aspire to remain stationary. What we must and do desire is that every change should mark a step forward, not a halt or a retreat, on the way that leads to European unity.

All those who have been and are still persistently and passionately fostering the ideal of European unification have followed with hopeful anxiety the present negotiations for the accession of Great Britain to the Common Market; they have joyfully welcomed the news of contacts with a view to the association of other European countries. Naturally, no one underestimates the complexity and gravity of the problems that must be solved before the transition from 'Little Europe' to 'Greater Europe' can be achieved. It is no easy matter, for example, to reconcile the particular requirements of the United Kingdom with the fundamental need not to damage or weaken the existing institutions of the Community, in which may be discerned the original nucleus of a federal Europe. Some way will have to be found of adapting the Community machinery to the new situation, while maintaining absolute and unswerving loyalty to the principles and standards that inspired the Rome Treaties. It would indeed be to nobody's advantage, but a loss all round, if the operation were to be achieved only at the cost of distortion or renunciation of the essential characteristics of the Community structure.

The Common Market is an undertaking that has been of great benefit to the countries that formed it, including more rapid growth of their energies and, what is still more important,

guiding them into the channels of organised development. These benefits are bound to increase *pari passu* with the extension of the unified area. The larger the Market becomes, the better it will be able to cope with the rate of expansion of production in the Europe of today. But there are not only economic reasons: there are also political reasons of the first order which make it advisable and even essential to encourage and hasten the movement towards European unity.

While the current process of economic unification and its expansion in the immediate future entail definite political consequences, the acceleration of the unifying process in the political field will remain closely dependent upon the full utilisation and perfection of the institutional machinery of the Rome Treaties. We may well ask, then, what is the point of seeking fresh instruments of political unity if we fail to use and improve those already to hand? The forces making for federalism certainly exist in the Community of today; what is required is to set them in motion, if we really wish to give a determined impetus to the political unity of Europe.

It is impossible not to realise that the creation of a workable joint political structure is our primary task at the present stage of European development. The horizon is heavy with clouds, and only an increase in the political strength of Europe can avert their menace.

From across the Atlantic also, the United States of America exhorts us today more urgently than ever to accelerate and intensify our efforts towards unity. The history of the post-war period is a history of gradual *rapprochement* and increasing collaboration between America and Europe. This *rapprochement* and this collaboration have become more evident in proportion as Europe gave practical evidence of her determination to unite. The birth and growth of the Common Market have brought up the specific problem of the interdependence of the two great markets on opposite sides of the Atlantic. Previously, the Atlantic Charter had been the platform for a common defence policy. The two processes — European unification and Atlantic

Alliance — have never been pursued as alternatives, but as complementary to each other. They are tending to combine in one single process which should culminate in the virtual unity of the Atlantic world.

In his speech at Philadelphia last July the President of the United States, returning to a topic which had already had an important place in his Message to Congress on the State of the Union, declared that the eventual goal of collaboration between America and Europe, if only in the distant future, was the permanent association of the nations of the two Continents. In this way alone, he said,

> "we can assist the developing countries to throw off the yoke of poverty; and ultimately we can help to achieve a world of law and free choice, banishing the world of war and coercion".

But he also gave the warning that

> "the first order of business is for our European friends to go forward in forming the more perfect union which will some day soon make possible. . . ."

a partnership with the United States.

There were people who dismissed President Kennedy's scheme as fantastic and Utopian; but there were also other who found that such a design reflected the logical destiny of the Western world. I am among the latter.

I believe that there is gradually maturing a collective spiritual process involving an awareness of the fact that we, Americans and Europeans, have in common the highest and most significant values and ideals of our respective ways of life, without which there can be no sure future for either America or Europe.

The American people now testifies to such an awareness through the voice of its highest representative; and there is

certainly a profound significance in the fact that the Philadelphia declaration coincided with the anniversary of the event which separated the New World from the Old. Nearly 200 years after that historic date, the United States now declares that she wishes to join up with Europe again on a permanent basis. There is nothing arbitrary or illusory in the notion that a new period of history is about to open.

To respond to the appeal addressed to her from the opposite shores of the Atlantic means for Europe that she must undertake to make more rapid and expeditious progress along the road to complete political unity, with a clear understanding that this unity is destined to cement the partnership between the two continents, that is to say the unity of the whole Western world. The only safeguard of our common civilisation resides in this higher and complete partnership.

Europe will be all the more diligent and speedy in working towards her "more perfect union" if she is fully determined to overcome the remains of national selfishness and to sweep from her horizon those old and outworn ideas which, to quote Thomas Mann, "fill the air with gloom and make life impossible."

The description "the Europe of hope" has been given to this new Europe which is slowly but steadily arising and promises to make swifter and more harmonious progress than the old Europe. We have good reason to believe that this new Europe will not deceive the hopes with which it is regarded by the majority of free men, wishful to preserve their freedom and increase its fruits, anxious to secure for themselves, or at least for their children, the opportunity of living in a world less tormented that at present, from which, as President Kennedy hoped, "the spectres of tyranny and war may be banished." (*Applause.*)

4. *Progress Report of the European Parliament*

The Chairman (Translation). — I now call on Mr. Edoardo Martino to speak in his capacity as *Rapporteur* on the activities of the European Parliament.

Mr. Edoardo Martino (*I*) (Translation). — Mr. Chairman, Ladies and Gentlemen, our meeting today, this Joint Meeting —as we have agreed to call it—of the members of the Consultative Assembly of the Council of Europe and the members of the European Parliament, is another good opportunity for comparing notes on problems relating to the progress and future of the nations that we represent.

Some mental stocktaking of the things that we have in common, at a time like this when we have many causes for worry and anxiety, will at least allow us to go ahead with fuller information and greater awareness.

Let us see briefly what food for thought is offered by the period covered in the report that I have the honour to present: the major problems encountered, the progress achieved, the targets fulfilled, the limits that could not be passed and, finally, the questions that remain open.

If we look back for a moment and consider the point from which operations started, we must acknowledge that the results show some progress.

Anyone who, when the Treaties were being drafted, had prophesied what is happening to-day would have been regarded as a dreamer, so many were the doubts, uncertainties and perplexities—to say nothing of the opposition on principle. Widespread scepticism has now been succeeded by the admiring, anxious or hostile recognition of most people all over the world.

The idea behind the movement which in these few years has brought together in one Community the peoples of six countries, and has kindled new hopes in Europe, is now justified by the facts and it finds expression in growing achievements. And yet —what I am about to say must not be regarded as a contradiction—it is difficult to escape the impression that in spite of the progress made and the remarkable results attained the structure is still weak and lacks something essential.

What is lacking, in fact, is political unification, which must follow, or rather must constantly sustain, the process of economic unification if that process is not to be endangered.

There are certainly quite important political implications and angles to the process of economic integration, as has become particularly evident with the transition to the second stage of the Common Market. But the political mission does not consist in this; it is something quite different. It amounts to a whole group of strictly political decisions or, if you prefer, a single master-decision on which all the others depend: the choice between a policy of traditional alliances, into which we should not like the initiative of the Six to degenerate, and a Community policy, which is the one we have opted for.

Without the success of the Community, the idea of unification in such sectors as foreign policy and defence might have had little chance of making headway; but the fact is that the period under review shows a wide gap between the progress made towards economic unity and the stagnation in the process of political unification.

Let us begin with the progress.

The prime characteristic of the Common Market is that free trade is carried on within the framework of a customs union. It is therefore logical to watch the development of that union very closely, and we should be the last to underestimate the importance of the tariff disarmament achieved between member States.

At the beginning of this year, the tariffs applicable to trade between countries of the Community were down to 60 per cent of the basic duty for industrial goods, 65 per cent for non liberalised agricultural produce and 70 per cent for liberalised agricultural produce.

If we add that on 15th May last a further reduction of 10 per cent was made on industrial goods, coming into force on 1st July,

and at the same time an adjustment of 5 per cent for a certain number of liberalised agricultural products which had not been the subject of a supplementary reduction at the time of the first acceleration, it will be appreciated that the target of 20 per cent fixed by the Treaty for reductions on all goods by the end of 1961 has been considerably exceeded.

At the same time, anticipating by a year the first 30 per cent approximation of their national tariffs to the common external tariff, the member States took a decision of great importance for the development of trade relations with third countries.

But, since the approximation of national tariffs to the common external tariff might, and in fact did, lead to requests for the granting of tariff quotas, which would be likely to hinder or delay the establishment of a customs union, arrangements were made to restrict their number and value, with the result that their effect has been very small and has not exceeded the limits beyond which, in the words of the Treaty, "the transfer of activities to the detriment of other member States is to be feared."

Considerable progress must also be recorded with the abolition of quotas and the liberalisation of trade—so much so that it might be thought desirable in future to devote greater attention to measures with effects equivalent to quantitative restrictions applicable to both imports and exports.

With reference to the procedure and time-table for the abolition between member States of measures tantamount to quota restrictions which already existed when the Treaty came into force, a start has been made with the preparation of directives which, in our opinion, should not be addressed to individual, specific cases but should outline a general policy in the matter.

Although it is true that in the Common Market free trade is being carried on within the framework of a customs union, which cannot therefore be neglected, it is also true that the customs union must develop into an economic union.

In past years we have had reason to lament that the progress made towards such an economic union was rather slow and feeble. It must be recognised that the balance-sheet this year is more encouraging.

The first regulation on understandings and concerted practices; the first regulation on the free movement of workers within member States; the programme for the effective introduction of equal pay for men and women, which could not be carried out in 1961, as it should have been; the general programmes for the abolition of restrictions on freedom of establishment and free supply of services; finally, the regulations for joint organisation of the markets in certain agricultural commodities which institute a joint financial responsibility in the application of the agricultural policy—all these are items on the credit side of the balance-sheet.

It may be regrettable that the implementation of certain decisions concerning the common agricultural policy has been somewhat delayed; but, apart from the fact that member States had to be allowed a reasonable period to bring their domestic legislation into line, it must be admitted that the postponement of the application of these decisions is a small matter compared with the important fact that a common agricultural policy has now been established; it has ceased to be a myth and is beginning to come into operation for a certain number of commodities.

In this field as in others, of course, much remains to be done, even in essentials, before economic union can be called complete. We have drawn the attention of the Community executives and the Councils to this in various connections, never missing a suitable opportunity.

It could not be otherwise. Has there ever been a Parliament that was content with what had been achieved, though that may have been good or even very good, but did not rather reach forward towards what still remained to be done, with reasoned but insistent eagerness, with stubborn but well-intentioned determination, with a sustained craving for perfection which neither knows nor grants any respite?

Our Parliament in this respect is no different from others: it merely has less power. But by carrying out its own functions diligently and conscientiously, it has made a considerable contribution—even during the past year—to progress in economic integration, for the completion of which—even allowing for the fact that we are not yet at the end of the transitional period—several essential things, as I have said, are lacking, some having been started, others not yet decided.

No common policy has yet been established for two basic sectors, the importance of which is obvious and on which executive decisions are urgently needed: transport and energy. We lack more effective co-ordination of "business trend" policies as the prelude to a business trend policy to be worked out and applied in common. We still lack a common trade policy, which is indispensable to the general economic policy. We lack a common wage policy, and also a common policy for vocational training, the fundamental importance of which cannot be questioned. If this is not drawn up with great care in the near future, it may easily happen that national economies do not develop fully and harmoniously, and that the geographical and occupational mobility of man-power within the Community will be considerably hampered or slowed down.

I see no need to catalogue the social objectives of such a policy. The raising of the working classes and the improvement of their living and working conditions are firm obligations for the Community, permanent aims, objectives to be pursued for themselves, not merely natural results of free trade.

Even as we look forward to what remains to be done, the results achieved in the internal construction of the Community and the growing respect of the outside world for its developments are evident. The execution of the Treaty itself continues to keep well within the time-limits laid down, and one of the most important decisions, indeed a paramount decision—the decision to proceed to the second stage—was taken without recourse to the postponements permitted by the Rome Treaties but rightly feared by us.

The significance of the transition to the second stage in establishing the Common Market is that the European integration process has now become irreversible. The last opportunity of halting has been rejected, and to go back is no longer possible. Indeed, we are obliged to go beyond the provisions of the Treaties themselves, which in some cases have proved to be deficient, excessively schematic and inadequate to face and solve the problems involved in working out a common policy. I think, in this connection, that the potentialities of the Treaties may be usefully exploited for the ends of progress.

The greater powers of initiative enjoyed by the Community organs with the transition to the second stage entail an increase in the powers of the Parliament if its control is to be effective.

And not only the more obvious energy policy, but the business trends policy itself, as also trade policy, call for the co-ordination, not to say the fusion, of the three Executives.

These are all old questions for our Assemblies, Gentlemen, but they have not been solved, and remain valid, as does that of a Parliament elected by direct universal suffrage, a true deliberative body, capable of breathing life into an otherwise fragile structure, as De Gasperi once affirmed.

The least disputable fact is certainly the external success of the Community. It is evidenced by the attitude of the United States, the Soviet Union and Great Britain, that is to say, of the three States that head the world's largest economic and political communities.

The extraordinary development of the Common Market has made it a dominant factor in trade policy. The many agreements concluded are a proof of this, the most relevant among them being that signed at Geneva last March with the United States of America. This was, as it were, a test to establish whether both parties were in a position to find an acceptable basis for ensuring the long-term development of economic relations which Washington regarded as of prime importance for both regions. The political significance of this agreement was therefore obvious,

and President Kennedy's speech at Philadelphia on the 182nd anniversary of Independence Day—already referred to by our Chairman—was to enlarge on this in an unexpected manner.

The United States is now looking towards the old Continent with hopefulness and admiration, America is considering a declaration of interdependence, is prepared to discuss with a united Europe "ways and means of establishing an Atlantic association on a basis of complete equality". What a long way we have gone since the days when Marshall Plan aid saved Europe from foundering!

There is revolving in my mind a peroration of Victor Hugo: "A day will come when we shall see these two vast groups—the United States of America and the United States of Europe—face to face with each other, joining hands across the ocean, exchanging their products, their trade, their industry, their arts, their genius, cultivating the globe, colonising the deserts, improving Creation under the eye of the Creator, harnessing together for the well-being of all those two infinite forces: the brotherhood of man and the power of God."

We can almost see in these words, through the sonorous exaggeration of the orator, a foreshadowing of the way in which tomorrow the Atlantic partnership, now scarcely adumbrated, may develop.

On the opposite side from the United States stands Russia, which has never concealed its aversion from, nor spared its attacks on, any attempt whatever towards European union. You —gentlemen from the Consultative Assembly—will remember this well, because that antagonism started with the Council of Europe, turned to ECSC and Euratom, and finally, and above all, became concentrated on the EEC.

The recent peculiar violence of Khrushchev's language against the Common Market, whether on the occasion of the opening of the Italian Exhibition in Moscow, or of the reception of the President of Mali at the Kremlin, betrayed a fresh or more urgent preoccupation: dismay at the obvious success of the

Economic Community, which has belied the Marxist-Leninist theory according to which the capitalist nations could not fail to decline, their trade rivalries ultimately leading them into war.

Having confidently forecast a sudden decline in production in a number of economic sectors, the Soviet leaders today are forced to recognise that integration has in fact resulted in a flourishing development of production. While they repeat their ideological criticisms, according to which the struggle between the Western Imperialist nations, far from diminishing, should become more intense and extend to a wider field, they are at the same time obliged to yield to the evidence of the facts, to acknowledge the progress achieved, to recognise the increasing success, and to fear it, because it is a scandal: it shows the whole world that progress, well-being and peace flourish through freedom and solidarity between equals.

Finally, Britain. If we think of what has just been said, the British request for accession to the European Community takes on a special significance.

The British Prime Minister's statement at the end of July last year marked a turning-point in history. Our Parliament has on several occasions expressed its gratification at this development in the situation, while at the same time it appreciated the great and difficult problems raised by a considerable expansion of the Community. It has always been anxious for the conclusion of the negotiations for the admission of England to the Common Market as a full Member. The presence of Britain in the Community would, in fact, be a stabilising influence in Europe, the importance of which—in the present circumstances—cannot be disregarded or overlooked.

Realising the value to the free world of the ties that exist between the United Kingdom and the Commonwealth countries, we feel that solutions must be found for the various problems raised for some of them by possible British accession. It is certain, however, that except for such adaptations and modifica-

tions as are found to be essential, the fundamentals, limits, methods, rules and aims of the Community must be respected.

The British approach has not been the only one, and other countries as well, requesting accession to or association with the Common Market, have borne witness to the success of the Community enterprise.

The economic and political problems raised by the extension of the Europe of the Six by means of accession or association are neither few nor simple, and to them must be added those resulting from relations with other continents, which also are now beginning to develop. To speak of them today at any length is perhaps premature. It is possible, on the other hand, to mention a few points which have become quite clear of recent months.

Thus, in regard to external relations with European countries, and especially with the neutral countries, a definite decision can only be taken when those countries have explained what form of association they wish.

So far as Latin America and Asia are concerned, the Economic Community will have to make a contribution to the stabilisation of world markets; such stabilisation is particularly important for those countries which cannot join the Common Market in a preferential system. In this connection, a world reorganisation of the marketing of agricultural produce takes on a special significance.

As for the African countries and Madagascar, which were associated with the Community under the terms of the Part IV of the Rome Treaty and subsequently achieved their independence, the problem now is to establish, as should be done within a year, a new association agreement establishing co-operation on a fresh basis of absolute equality, increasing the aid given by the community, agreeing to increased exchanges, reducing customs duties on certain tropical products for third countries, and confirming our will to participate effectively in the harmonious growth of the developing countries.

Finally, as regards future trade relations with the countries of the Soviet *bloc*, it seems obvious that greater attention will have to be paid to these. This, however, goes beyond the period under consideration in the report that you have before you; it is a matter for the future, even if the near future, and I shall therefore say no more about it.

The only other observation that needs to be made is that the expansion of the Community has favorised some fears that it may become weakened. It should therefore be made clear that it depends on the Six that the Community develops as it should, not being merely an economic club; it depends on us that the Community does not lose in effectiveness as it gains in extent: that it does not dissipate itself in alliances instead of becoming stronger through its institutions; in short, it depends on us that it achieves its appointed aims: economic union and, along with that, political union.

No one must have reason to think that our ultimate aim has ceased to be the creation of a true political community. We were therefore distressed to note the various moves, decisions, and serious and disagreeable controversies which followed the failure of the Six to reach an agreement on the proposed political union. We were, I say, distressed and most anxious when we heard of this, and took great care not to make matters worse, realising that, apart from creating uncertainty and irritation in men's minds, their ultimate result was to help the adversaries of the European cause — and especially the enemies of freedom.

It must be admitted that at the very time when the process of economic integration is becoming consolidated, the European spirit has lost its impetus. A man who died scarcely ten years ago, Carlo Sforza, as Chairman of the Committee of Ministers, addressed the following words to your predecessors, possibly indeed to many of you here who belong to the Consultative Assembly of the Council of Europe:

"Gentlemen, the fate of Europe is largely in your hands. You can, if you wish, become the successors on this side of the Atlantic of the men who in America are still called the Fathers.

The Fathers sacrified the wish of independence of the thirteen colonies and on 17th September 1787 wrote the joint Constitution, beginning for the first time with the famous words 'We the people of the United States.' What a wonderful day it will be for the whole world, but one which must come if we wish to remain free men, when we proclaim at Strasbourg 'We, the people of Europe.'".

From what a distant past these words seem to reach us!

Today, I grieve to say, if we were to repeat them we should be thought to be out of touch with reality, and might even be accused of disowning our country. Almost as if it were possible to disown our own mothers!

No one doubts that Europe "would cease to have any living reality without France with her Frenchmen, Germany with her Germans, Italy with her Italians" and so forth.

The union of the nations as we conceive it is a union of things that are different, achieving—to adopt a metaphor from Goethe—harmony, not unison; it does not mean the disappearance of the nations, but is the only way to save them. No one can believe that these who seek the political union of Europe, as we do, are for that reason non-national.

We learned, Mr. Chairman, while still young, to make certain essential distinctions as we studied books that form a part of the wonderful heritage of European culture—let us not forget, Gentlemen, that Europe is, first of all, a culture. May I quote from one of those books: "If I knew of anything that might help me and be harmful to my family, I should abhor it with my soul. If I knew of anything that would help my family but not my country, I should attempt to forget it. And if I knew of something which would help my country but harm Europe, or would help Europe but harm mankind, I should regard it as a crime."

These words are more than two hundred years old, yet still

new. They are written by Montesquieu. It is in this spirit that the European ideal goes forward.

Our Parliament, during the past year, has done as much as it could to encourage it in men's minds, institutions and works. It is now for the Governments to rise to the demands of times which are difficult and might become catastrophic. Let them no longer deceive the trust and hopes of our peoples; they have no right to do so. (*Applause.*)

The Chairman. — I call Mr. Georges Margue, *Rapporteur* for the Consultative Assembly of the Council of Europe.

Mr. Georges Margue (*Luxembourg*) (*F*) (Translation). — Mr. Chairman, Ladies and Gentlemen, I have been asked by the Consultative Assembly of the Council of Europe to reply to the report on the activities of the European Parliament presented by Mr. Edoardo Martino.

If this report, while it must necessarily be limited to what was actually done, nevertheless reflects the personality of the person producing it, what can be said about the reply I am asked to make? It is not a report on the activities of the Consultative Assembly that we are called upon to submit to the members of the European Parliament, although that also might be of some interest. It is a reply to a report. Naturally, the reply of one member of the Assembly cannot be that of all the members of that same Assembly, whose views differ not only on individual problems, but on the relative importance that should be allotted to one chapter as compared with another.

In my written report, I confined myself to noting those parts of Mr. Martino's report which I believed to be of particular interest to members of the Consultative Assembly, the Assembly of the Council of Europe.

We who always rather regard ourselves as the mother house, from which the European Parliament developed as a kind of branch, to become independent and stronger and more important

than ourselves, are always inclined perhaps to make comparisons between the activities of the European Parliament and our own.

We are happy to note that the European Parliament has succeeded in extending its activities beyond the strict terms of the treaties, and though it is not yet the true legislative body that we wish to see, it has taken practical steps in that direction.

Circumstances have caused the Council of Europe to lag behind in this development, because the Council is not an executive authority that can take decisions, but, both at the ministerial and the parliamentary level, only a collection of delegates from the member States who attempt to reach agreement on certain questions in certain fields. This does not mean that we do not profit from certain examples shown us by the European Parliament; I am thinking in particular of our effort to secure a colloquy with our Ministers, some of whom are the same as yours.

We have been at any rate partly successful, obtaining only that a delegation from our Assembly should hold a joint meeting with our Committee of Ministers. And we must recognise that it is the example of the European Parliament (at that time still the European Parliamentary Assembly) that enabled us to take this step. We have our meetings together, our joint meetings; they are now a regular procedure. But during the past year—Mr. Martino's report mentions the fact, but I remember it personally because I was there—for the first time committees of the two Assemblies met together at Geneva. This was a meeting of the Cultural and Scientific Committee of the Consultative Assembly with a delegation from the European Parliament's Committee for Research and Culture.

We should be very glad to see in future, in one form or another, further joint meetings of committees or delegations from committees of the two Assemblies. They would contribute to our efforts not to lose contact with each other.

Indeed, if I look at the table of members of the two Assem-

blies on which the names are printed in red, blue and black I notice that black is tending to disappear — that being the colour used for printing the names of those who are members of both Assemblies. These names are not now very numerous, and indeed one of them is due to a mistake in identity!

This is inevitable; the increasingly wide scope of the European Parliament's tasks has obliged most of its members to give up participation in the work of the Council of Europe. That is only logical. It is one more reason why we should seek other opportunities of getting together to compare our achievements and opinions and to discuss those points on which we disagree. The present Joint Meeting is, obviously, intended to meet this requirement, but joint meetings of committees would certainly also be helpful.

One subject that has engaged our attention, and has already been discussed at previous meetings, is the European University. I should like to say a few words on this before going on to more important questions.

We observe that the European Parliament is not entirely satisfied with what has been done in this field. I must say that the members of the Consultative Assembly, particularly the members of its Cultural and Scientific Committee, are no better pleased. I think the time may have come to reconsider this matter. We wish to strengthen the Communities and to expand the fields in which a Community authority exists; but when we come to the cultural field, however much we may desire as wide a co-operation as possible from European countries, it is very difficult for us to achieve anything amounting to integration.

It has just been said that a united Europe must not lead to the disappearance of European countries. If there is any field in which member countries must retain their individual responsibilities it is that of education and culture; this does not exclude the possibility of collaboration, but it should take place rather within such a body as the Council of Europe, and specifically in the specialised organisation that has just been created, the Council for Cultural Co-operation.

If we really desire a complete European University, and not merely one faculty concerned with the technical subjects of interest to Euratom—I am merely putting a question—would it not be best to resume consideration of the problem within the framework of the Council of Europe, of its Cultural Committee, and to attempt to create this university through the joint efforts, not only of the Six, the Seven or the Eight, but of the Sixteen or Seventeen? I think that this is both desirable and possible.

I go on from that to subjects that seem to me more pressing. The previous speakers referred to the unexpected success achieved recently by the European Economic Community, and I think that it cannot be too much stressed that the Council of Europe Consultative Assembly has been aware of this through the change in the atmosphere in our own political and economic discussions.

Only two years ago we had two European economic organisations: The European Economic Community and the European Free Trade Association, the latter having been set up with the object of constituting an economic *bloc* which could discuss on equal terms with the body that had been created earlier; and some of us, at least, feared a European economic cleavage with the creation of two *blocs* which might be in conflict with each other. There is no question of that today.

It is true that the European Free Trade Association still exists, but its Members one and all are seeking relations with the European Economic Community, as Members or as associates or in some form not previously specified.

This is the most tangible sign of the prestige acquired by the European Economic Communities among those European countries that do not yet belong to them. And it brings us face to face with fresh problems that my honourable predecessor has just outlined: do we not run the risk of losing in effectiveness what we might gain by extension? Hence a quite understandable tendency to put a brake on expansion, particularly in regard to countries which say they are ready to enter, but make reservations or require adjustments.

We are thus led to consider all the difficulties raised by requests for accession or association. These difficulties vary according to the applicants and their standpoints.

I shall say nothing about Great Britain; our British friends are here and will no doubt take part in the debate. They are capable of defending themselves, and in any case I do not think that their cause is in any danger. I would merely say that I seem to discern a certain divergence of views between the European Parliament and the Consultative Assembly regarding the three countries which have suddenly discovered that they had something in common: that they all want to remain politically neutral.

These three countries have requested, not accession, but association. Austria, Sweden and Switzerland requested association, because, as they have said and will say again here through their representatives: "The policy which we have chosen and which, as things stand, we must adhere to prevents us from joining as full Members."

In Mr. Martino's report we find it stated that association was intended by the authors of the treaties, not for industrialised and highly-developed European countries, but only for underdeveloped countries, either of Europe or of other continents.

I venture to hope that the texts of the treaties are not so specific. I feel I must stress this point. To speak of association in connection with Greece or Turkey or some African country is, of course, quite a different matter from what is understood by association when referring to Austria, Switzerland or Sweden. There are indeed several types of association adapted to underdeveloped countries. Primarily, association consists in granting them aid to achieve in the more or less remote future an economic standard which they have not yet reached.

I can quite well understand that the three European countries which have said that they wish only association are in fact looking for something quite different, and from the economic

point of view are prepared to assume responsibilities fully equivalent to those assumed by countries in full membership.

There is no need now to repeat the axiom that it is not possible to share in the advantages of the Communities without accepting the responsibilities. None of these three countries would wish to profit from the communities to a greater extent than it contributed to them.

The administrative and other difficulties that have arisen or are about to arise in connection with association with Greece would certainly not recur in the case of association with industrialised European countries. The reservations that these countries seek to make are concerned with the terms of the necessary treaties, with the irrevocable character of the political ties that would be formed.

Some one has said that association could be only a temporary measure. I am quite ready to agree with this statement. Does it mean, however, that there must be a time-limit for any association and that it should be possible today to fix the date when it will be transformed into full membership? Not necessarily. There are many things in Europe that we are all prepared to regard as temporary, but which we are quite unable to change at the moment. I need only refer to the division of Germany, and the fact that many European countries do not enjoy their freedom, being subjected against the will of their inhabitants to Soviet imperialism.

These are, then, situations that we should like to believe are only temporary. When will the temporary come to an end? That we cannot say. For any one of the countries that are now neutral it may end at the same time as the temporary situations that I have just deplored. Is there any reason for not accepting an association which is regarded as transitory, but for which one cannot foresee a date for full membership?

There is another point. If requests for association are refused, that would imply finality, but if we try to find some

way of meeting these requests, is that not tantamount to instituting a temporary agreement which might later be followed by a final agreement?

It is not my task to go into technical details. I am not competent to do that from any point of view. But I wished to make these remarks, which I think are in line with the opinion of at least a majority of the members of the Consultative Assembly.

There are other cases. If that of Great Britain is settled, the requests of Denmark and Norway will not raise any insurmountable obstacles. I hope that the same may be true of the Irish request. At the other extreme of Europe, however, we have a country which for some time one might think had been more or less forgotten: Turkey. I know that not everyone is entirely in favour of an association of Turkey with the Community, partly because we have had the experience of the association of Greece and found any number of difficulties there. But the case of Turkey is nevertheless very much like that of Greece, and we must take into account the fact that quite a long time ago, when other European countries were still not in the least interested in the Economic Community, Turkey had already said that she would ask for association.

Now, Turkey is, we know, putting forth a great effort for defence, for its own defence which at the same time is that of all Europe. Who among us would wish to tell the Turks: "Gentlemen, reduce your defence budget and use that money to improve your economic situation."

I think, then, we must recognise that Turkey is making a praiseworthy effort in the cause of European defence, which far exceeds that of certain other richer European countries which have been fairly successful in reducing to a minimum their contribution to the common defence effort. We must recognise this fact, be grateful towards Turkey and not hesitate to face some pecuniary sacrifices or difficulties if we can help Turkey to raise itself to the economic level that we now enjoy.

Then, we have the difficulties in the way of the requests of Spain and Portugal, due to entirely different circumstances.

There is no occasion for me to revive this question, on which so much has already been said and rigid attitudes taken up, regrettable attitudes which we hope may not be irreversible. But for my own sake I feel bound to recall the position taken by the Consultative Assembly of the Council of Europe, regarding Spain's request for accession or, failing that, association. We recommended our Committee of Ministers to invite member Governments of the European Economic Community to examine the possibility of some form of economic agreement between Spain and the Community, bearing in mind the constitutional changes that would be necessary before any form of political association could be contemplated.

This formula is perhaps too complex to be very practical. It shows, however, that the Consultative Assembly on the whole realises that Spain and Portugal belong to Europe and that it would be highly desirable for them to play a part in European development, but that their present regimes are abhorred by a great many—if not the majority—of us, and are not, considered objectively, of a kind to facilitate agreement.

The events of this summer in connection with the Congress of the European Movement at Munich have given the impression that the difficulties were increasing rather than otherwise. We must hope that these were merely episodes which would not hinder developments that would one day permit the conclusion of an agreement with Spain.

Anticipating what will no doubt next week be the decision of the Consultative Assembly, I think I may say the same thing of Portugal. It is in fact next week that the Council of Europe will have to spell out a recommendation regarding the Portuguese request.

I would remark, however, that when we are considering regimes differing from those of our own countries and find them

not entirely to our liking, we must not be too exacting. Might not the objection be raised, indeed, that in certain cases complaints could equally be made against some Governements of the Council of Europe or of the Communities which, although differing in degree, do not necessarily differ in kind from those made against Spain; for example, that it is possible for a man to be deprived of his freedom otherwise than by a decision of the judicial authority.

Did we not witness at a certain time in a certain country a complete disregard of parliamentary immunity, which rightly caused anxiety to the Consultative Assembly? Do we not find that one country very close to us, for reasons that it undoubtedly regards as valid, does not yet feel it possible, or very recently did not feel it possible, to adopt the European Convention of Human Rights?

Let us not demand too much, then, when we are dealing with countries which also have certainly some reason in justification of their present policy.

The case of Greece has been at least temporarily solved. Association has been decided on, and it has now to be put into effect; thus the basis for closer cooperation has been laid.

From the parliamentary point of view, we note that you have decided to set up a Council for Association comprising members of the Greek and European Parliaments. If the number of associations continues to increase, do you intend to set up a whole series of similar Councils? If, as a member of the Consultative Assembly, I may be permitted to offer a suggestion, I should say: 'Have you not thought of the possible advantage of admitting representatives of associated European countries—if there are any —to the European Parliament as observers? Have not associated countries some right to request that they may attend discussions in which they may not be entitled to take part, but which result in decisions that concern them closely?'

From the point of view of our common aim, that of creating

a United States of Europe in which all European countries will recognise each other as a part of the "people of Europe", would it not be desirable to ensure constant contact between representatives of member countries and of associate countries?

I merely mention the matter. It has arisen in the Consultative Assembly, where we have admitted observers, for example from Israel, or more recently from Switzerland; the latter are indeed well on the way to becoming full members of our Assembly. This opportunity of comparing our views and establishing personal contacts certainly tends to encourage the eventual creation of closer relationships. It must not be forgotten that among the present parliamentarians are some who may belong to the Governments of to-morrow; some have already been members of Governments and may be so again.

Having dealt with requests for accession to the Communities, we turn to a subject which interests and concerns us all: the completion of the Community by the creation of a political union.

Some people have said, as I mentioned in my report, that we must not think that the existing Communities do not constitute a political union. They do, in fact, but one which is restricted to certain fields. The same will no doubt be true of any future political union. In so far as such a union, such a body, whatever it may be, has any real powers apart from merely offering an opportunity for mutual consultation, it is essential to delimit the fields in which these powers are exercised. Thus the supporters of the idea of political union wished to include questions of defence among the aims of such union.

If I may make a personal comment, I believe that logically joint defence is possibly the most urgent problem Europe has to cope with. It is indeed a matter for surprise that not having made greater progress in this field we should nevertheless have succeeded in surviving, thanks chiefly no doubt to the alliance between some of us and the United States of America, an alliance which is far from the Defence Community which at a certain time was on the point of being achieved, but failed because of events which we all remember.

A European statesman recently asked: "Could we not have a Defence Commission as we have an Economic Commission?" I wonder whether in fact he was thinking of a Defence Commission endowed with powers similar to those at present possessed by the Economic Commission. Personally, I should be glad if it were so, but I should like to raise another point.

When we speak of the political union which should have been formed, which should still be formed, which as most of the Governments concerned seem to wish, will not be so completely integrated, so close a "community" as most of us would probably like, there still remains the question of how is to be formed. Why have we not thought of another political union which already exists on paper, not between six States, but between seven: Western European Union, whose basic treaty, it is true, does not clearly define its powers, because originally the Brussels Treaty was very different from what it became later.

It seems to me that matters of defence come within the competence of Western European Union. Consequently, any political question that it is desired to deal with jointly could quite well be considered within the framework of WEU. It might be objected that this is merely a loose union without any powers of decision. But does the new political union with which we are to be favoured have any greater powers?

Is not the only difference the fact that Western European Union includes Great Britain among its members? Is she then definitely to be excluded from the political union? I cannot answer that question, but it has to be asked. And is it quite impossible to reform Western European Union? Could its structure not be revised to make it more complete?

Many things could still be said of the activities of the European Parliament. I hope that many more points will be raised in to-morrow's debate. May I myself conclude by expressing my full support of Mr. Edoardo Martino's very eloquent words at the end of his speech. The European Parliament and the Council of Europe's Consultative Assembly view things from different

angles. This is because the members of the European Parliament consider to a greater degree the practical work being done within the Communities, and for this reason are much more familiar than we are with the difficulties encountered in carrying out this work. We can quite well understand that they therefore feel some apprehension when faced with new requests for accession or association which merely complicate the difficulties that—I am disclosing no secrets—already exist between the six member States.

The Consultative Assembly, on the other hand, does not have these difficulties, which perhaps partly explains the light-heartedness with which it sometimes votes recommendations.

I may be pardoned for saying however that we do have our advantage; in that our outlook is after all a little wider, since we meet representatives of countries that are still outside the Communities, which for some time even appeared to wish to defend themselves against the Communities, but now for the most part, if they do not wish to become full Members, at least are taking a first step in that direction.

Both Assemblies are necessary and have their uses. Such joint meetings as this one may help to avoid misunderstandings, to find a middle course between the views of one side and the other, and, above all, to give members of the European Parliament an opportunity of having some discussion with representatives of countries that do not yet belong to the Communities.

I trust, in conclusion, that the forthcoming debate will be fruitful from this point of view, and will perhaps in a modest but very real way constitute a step towards that final goal which we all desire. (*Applause.*)

The Chairman (Translation). — I call Dr. Hallstein, President of the Commission of the European Economic Community.

Dr. Hallstein (*G*) (Translation). — Once again I feel a sense of pleasure and satisfaction as I address the now traditional

joint session of the European Parliament and the Consultative Assembly of the Council of Europe.

These joint sessions have always reflected the links that bind all Europeans together—those who in establishing the European Communities have set forth firmly along a new road, and those who, for reasons we respect, hesitated to move along this same road at the same speed. As I address this Assembly once more today, I am conscious that since our last meeting the Europeans gathered together here have gone beyond this general feeling of belonging together and moved substantially closer to one another. I speak to you at a moment when almost all the European countries represented in this House wish for a link with the European Community, either in the closest form of full membership or in some looser manner.

The cordial reception given to the President of the French Republic by the people of Germany reflects their spontaneous and unequivocal acceptance of the idea of integration, and it proves how deeply the spirit of reconciliation, the feeling of belonging together, and the resolve to work in unison towards a common destiny have taken root in the nations themselves.

Mr. Chairman, in the four years and more of its existence the European Economic Community has had a powerful impact on Europe, on the Atlantic area, on the world. This means that what we discuss here is also of concern not only to the internal development of the European Community, but equally to the Community's relations with the rest of the world.

In the past year the importance of our Community's foreign relations has grown considerably. In addition to the applications received from European States, there have been important reactions from outside Europe. I refer in the first place to President Kennedy's suggestion of establishing *a partnership* between the United States of America and the European Communities, and I am also thinking of the discussions to which our Community has given rise in the Eastern *bloc*.

The applications for membership of, or association with, the Community provide the most immediate element in our foreign relations. They concern the Community most directly. In the negotiations set off by these applications it behoves the Community to show that its Treaty is founded upon principles of general applicability which can, without any fundamental changes, be applied equally to new members. At the same time the Community has to press ahead at the same pace as before with the task of working out its own policy. And it must be mindful not only of the overall interests of Europe, but also of the world-wide responsibilities which flow from its own importance.

The main aspect of the applications for membership becomes clear when it is realized that they would never have been made but for the success which the Community has already had and may be expected to have in the future. This success, however, has its ultimate cause in the system of common action which has been instituted. Nothing must be taken away from this system; it is the essential minimum. To relinquish any part of it would jeopardize the achievements of the past and the success expected in the future. This comes out clearly in the excellent report by Mr. Edoardo Martino, the European Parliament's *rapporteur*, where it is pointed out that any new membership makes sense only if, apart from temporary adjustments, its purpose is to speed up and to intensify the process of integration. The point of expanding the Community is to make it stronger.

While the central problem in the negotiations for membership is to keep the Community intact, thus providing a single criterion which applies to each and every case — that accession to the Community shall always rest on the principle of membership of the Community as it stands—the main difficulty in dealing with the applications for association seems to reside in the diversity and the peculiarities of the individual cases and in the need to take these into account; the same is true of the other possible forms of co-operation sought with the Community, such as links through commercial agreements. Indeed, one of the aspects which determine the results of such negotiations must be con-

sideration of the needs and the political decisions of the applicants. How far must they go, how far can they go, how far do they wish to go in adapting themselves to Community rules and Community discipline? No one can relieve the political leaders of those countries which wish to enter into a lasting relationship with us of the responsibility of giving an answer to these questions. That is why it is too early to say anything about what may be expected to come of these various applications. Two of the Governments concerned (the Swedish and the Austrian) have already put their ideas to us. We expect the Swiss to do so in the course of this month. Not before then shall we have the overall picture which we need to work out our own policy on these matters.

For, just as the applicants must have the first word, there can be no doubt that association or any other lasting relationship must be brought about by a treaty, and this means that it requires the Community's approval, which in turn is determined by the requirements and the political decisions of the Community. The same applies to the question of membership too. The Community has in fact to make up its mind about the criteria by which it is to judge one form of link or another. Before it can do this, however, it needs a broad picture of the situations to which the solutions are to apply once they are found. For there clearly must be harmony of content among the various types of link with the Community—membership, association or anything else. The choice between these must rest on objective criteria and not depend on chance or an arbitrary decision. It is no more than logical that in defining these criteria the Community must have as much say as the non-member States.

Fortunately, there is more clarity, and indeed a considerable measure of clarity, due to progress in the negotiations, with regard to the question raised by the membership of Great Britain. These negotiations occupy a central position in the problem of extending the Community; not only because of the weightiness of the membership under discussion, but also because many other applications are at least tacitly based on the assumption that these negotiations will be successful

Of all the major difficulties the greatest is that which flows from the links between Britain and the Commonwealth—in particular as it is everyone's endeavour to preserve, so far as at all possible, the great value of these links, especially the political ones. The reason for the problem is that not only has the Commonwealth a legal, a political and a cultural aspect, but it is at the same time the largest preference area in the world. British membership therefore means a process by which Great Britain would move out of the Commonwealth preference area and into that of the European Community. That transition must be made complete in a clearly-defined and reasonable period, and the manner in which it is achieved should be as painless for all concerned as is at all possible. The future relationship between Europe and the Commonwealth must also fit into the existing world economic system, or it should be such that it will close any gaps in the system. That is why the concept of non-discrimination is being adhered to. If we strike an interim balance it will show the following picture.

Agreement has already been reached on the following points:

(a) Economic union does not seem to give rise to any problems (free movement of labour, social security, movement of capital, cartel legislation).

(b) The Community's basic concept of agricultural policy has been accepted. This is important in view of the fact that traditionally British agricultural protection takes the form of State subsidies and not, as on the Continent, of price guarantees for the producer. A compromise has also been reached on the question of "annual reviews" of the farming situation.

(c) The common external tariff will in principle apply equally to the enlarged Community.

(d) For a number of commodities, however, the rate of duty is to be reduced to nil (for tea, and for certain goods, especially sports equipment, from India, Pakistan and Ceylon).

(e) In the task of aligning rates of duty on the common external

tariff, a task which must be completed by the end of the transition period, arrangements have been made to ease the pace for a number of commodities (industrial goods from Canada, Australia or New Zealand, cotton textiles from India and Pakistan, certain other imports—especially tinned foodstuffs—from India, Pakistan and Ceylon, jute goods and so on).

(f) Various special arrangements have been proposed, *e.g.*:

(i) For the future development policy with regard to India, Pakistan and Ceylon,

(ii) For import policy on cotton textiles from India and Pakistan.

(g) A readiness to make special arrangements for the benefit of New Zealand has become manifest, since that country at present depends entirely on its sales of meat and butter to the United Kingdom.

(h) Association on the lines of the already existing association of French-speaking countries in Africa and of Madagascar is being considered:

(i) For territories dependent on the United Kingdom (subject to certain reservations concerning the Federation of Malaya, Aden, the African countries which are in a customs union with the Union of South Africa, and Hong Kong),

(ii) and, in principle,
for the independent Commonwealth countries in Africa and the Caribbean, provided they wish to be associated.

No agreement has yet been reached on the following issues, although on some of them the points of view have come much closer together:

(a) Fruit and vegetable production in Great Britain.

(b) Nil duties demanded by Great Britain for certain East Indian goods (heavy jute goods and carpets).

(c) British wishes with regard to the duties on certain raw materials and semi-finished goods such as aluminium, lead, zinc, paper pulp and newsprint.

(d) Duty on coffee and some other tropical produce, and on tropical produce from countries which will not be associated.

(e) The treatment of Malta and Gibraltar.

(f) And, finally, imported food-stuffs from temperate areas, of particular interest to Canada, Australia and New Zealand.

It was, however, accepted that world-wide agreements on trade in these commodities should be negotiated at an early date; that, should such agreements fail to materialize, more limited agreements with those prepared to conclude them should be considered; that, if difficulties arose during the transition period, consultation should be envisaged, and that in general the price policy of the enlarged Community will be of decisive importance in the matter of imports.

If we consider this interim balance as a whole, we have no reason to be dissatisfied with the results of the negotiations so far.

The negotiations with the associated overseas States for a new association convention constitute a further important element in the external relations of our Community. This convention is required not only to replace the Implementing Convention on overseas association which will expire at the end of this year, but at the same time to take into due account the fact that meanwhile most of these associated territories have attained full independence. A free trade area is to be set up, but the African countries will in fact retain considerable freedom of action to protect their young industries and to ensure the budget revenues they need. This will be backed up by financial and technical aid from the Community. The necessary institutions will be set up jointly by the Community and the associated States. A further step of importance is acceptance of the principle, always advocated by the Commission, that preferences should be reduced by

cutting the common external tariff's duties on important tropical products when the new convention is put into effect; at the same time financial aid will be increased. The Community believes that in taking such action it is making an important contribution to the harmonious development of world trade in the commodities concerned.

I should now like to say a few words about our Atlantic problems. The term *partnership* has been applied to them—a term used specifically in antithesis to the idea of an "Atlantic Community." A community signifies one collective personality with its own institutions, frontiers to delimit the area in which these institutions operate, and with different treatment for internal and external affairs. Partnership, on the other hand, signifies a relationship of co-operation—with competition between our economies and with the requisite co-ordination of our economic policies—the partners being approximately equal and increasing their strength through vying with one another; it is clear, then, that the full development of our Community is assumed and that the partnership is not to have any discriminating effect externally. In other words, while no new organization is to be set up (use will be made of existing institutions such as GATT, OECD and the IMF), there will be a new policy, particularly in the customs field but also in international economic affairs (including monetary policy, development policy and so on), resting on one American and one European pillar. On 4th July, the day on which the United States commemorate their independence, President Kennedy coined the phrase of interdependence between Europe and North America. At the same time he pointed out that the most important step forward in the direction of such interdependence in partnership can at this stage be taken only in Europe itself, with a European Community advancing to the stage of full responsibility.

This sketch of the most important developments in the Community's external relations would be incomplete if I were not to end with a reference to one of the most important outside reactions to the success of our Community: the reaction of the Soviet Union and the East European *bloc*. Two weeks ago there

ended in Moscow a secret conference of Communist economic experts from 23 countries, at which the main subject of discussion was the Common Market. It seems that Soviet leaders have been surprised by the success of our Community and they now find great difficulty in squeezing the phenomenon of European unification into the Procrustean bed of their ideology. Obviously, the EEC appears to them to be one of two things: chimaera or conspiracy.

If they consider the EEC as a chimaera, the successes of the European link-up would seem just not to exist. According to Lenin any link-up between capitalist States is either impossible or it is some reactionary enterprise doomed to an early end.

On the other hand, Moscow is sufficiently realistic to appreciate that an inconvenient development cannot be simply talked out of existence. Since, therefore, the Common Market cannot be dismissed as chimerical, it is regarded as an "imperialist" conspiracy to continue the cold war. The Common Market is treated from this angle in the 32 theses published by *Pravda* on 26th August under the title "On imperialist integration in Western Europe (Common Market)," where it appears as "an economic and political reality" whose achievements are described with remarkable objectivity, though in Marxist terminology. I cannot do better than quote the following excerpt:

> "The implementation of the Treaty of Rome which is occurring under conditions of increasingly sharp competitive struggles in the Common Market has promoted an expansion of capital investment, quickened the modernization of factories and brought about a certain degree of economic and organizational change in monopolies. The reduction of customs barriers has encouraged a changeover to mass production. The Common Market is more than the arithmetical sum of the national markets covered by the European Economic Community. Even in its distorted capitalist form economic integration can lead to an expansion of production and of internal and external trade."

Khrushchev himself sparked off this attitude in an article

in *The Communist,* in which he said that it would be imprudent and shortsighted to disregard the intentions and actions of the leaders of European integration. It seems that the Italian Communists were most active to take up this line during the Moscow conference.

In their view integration has favoured a considerable expansion of production and thereby reduced the frequency and effect of partial structural crises. The Common Market, they said in Moscow, had shown a remarkable vitality and had created a new situation which could not be remedied without serious consequences. Moreover, it had come about as a result of a real need created by the expansion of productive forces.

These arguments made a great impression and led to the discussion of a number of measures with which the Communists propose to meet European integration.

Moscow is striving to put life into the integration of the Eastern *bloc* within Comecon, the activities of which, as Khrushchev admits himself, have been disappointing. The latest Soviet statistics show that trade between the Soviet Union and the other Eastern *bloc* States has been marking time since 1959. When we compare this with the expansion of trade within the Community—I shall revert to this later—we can see why the Soviet leaders have had to revise their earlier attitude.

Not the least important of the reasons for this change in attitude towards the EEC has probably been the realization by the Soviet Government that it is impossible to induce the Governments of Member States to conclude bilateral agreements in conflict with the Treaty of Rome. In this context I should like to point to the Franco-Soviet trade negotiations in the summer of this year. In the article which I have mentioned Khrushchev therefore says that economic co-operation is possible not only between individual states in East and West but also between economic associations of states.

A second line of Soviet tactics *vis-à-vis* the European Com-

munity runs via the developing countries. The development policy of the EEC must be seen in the historical context of our age if it is to be understood. Future historians will find that the free world of our age has been going through a rapid and far-reaching change. Whereas yesterday we became conscious of the solidarity of individual nations, we are today becoming conscious of the solidarity of the family of nations. And here, too, we find that this new understanding leads first of all to charity, in our case to the early form of development aid by financial grants, and that this is followed by a phase of planned social organizations, in our case the establishment of a commercial and economic organization throughout the world which enable us to put this solidarity into practice in an efficient manner. It is quite evident what all this must mean to a Soviet leadership imbued with the hope that the developing countries would fall within their sphere of political influence.

Allow me to illustrate this with a few figures. Since 1954 the OECD countries have made available some $40,000 million for development aid, of which $30,000 million came from public and $10,000 million from private sources. This is exactly ten times as much as the aid promised by the Eastern *bloc* for the same period, which amounted to $4,000 million. Incidentally, only half of that Soviet aid has so far been provided in fact, whilst the overwhelmingly greater part, certainly far more than 75 per cent, of the OECD amount has been actually spent. So far as the countries of our Community are concerned, they have provided some $10,000 million worth of development aid since 1958 alone. Let me recall that the Development Fund of the Community alone is providing no less than $581 million for the associated overseas States in the first five years under the Treaty.

But what is more important is that this association is a completely free one. The reproach that the EEC was hindering the industrialization of these States is quite absurd: 65 per cent of the Community's aid has gone into infrastructure and the promotion of trade and industry, and this will remain so under the new and probably even larger Development Fund. In addition, while the Community has undertaken that for its part it will import the

produce of the associated States free of duty—that is both their raw materials and their manufactured goods—it has recognized their right to take autonomous action to protect their own growing industries against imports from the Community. All this seems to have very little in common with the charge of colonialism levelled against us in Moscow. We can go even further and say that ours is a system which by its content of freedom and real aid differs as night does from day from the system Moscow is operating for its satellites in Comecon.

You see, then, that premises on which Moscow bases its reproaches are quite artificial. As long as anyone holding different views is *ipso facto* regarded as an enemy, in the world outside that which is negative appears to be positive, and what is positive simply negative. And, really, all that is needed is to look at the world through a different pair of spectacles for it to appear in an entirely different light and in order to appreciate the chances of overall co-operation. For there is nothing more stupid than to allege that our venture is directed against the Eastern *bloc*. We are doing what we do for ourselves and for the free world as a whole. We are doing it by the most peaceful means conceivable and, finally, we are doing it in the hope that one day even those who at present still feel that they must oppose us will be convinced of the value of co-operation.

After this survey of the problems facing the Community in its external relations, Mr. Chairman, I will resist the temptation to make an equally detailed review of the Community's internal development. I shall, however, try, in a few brief words, to give a picture of the present state of this internal development.

With regard to the customs union, the core of our undertaking, one could say that we have already covered half the course, because in the middle of this year we reduced internal tariffs by 50 %. Which means that it is now probable that the

customs union will have been fully established at least two and a half years ahead of the schedule laid down by the treaty. In the external field, we have brought the negotiations with GATT to a successful conclusion. I should also like to recall that several years ago the Community declared its readiness to let a further round of tariff negotiations, involving equally large reductions, follow immediately upon the Dillon round. In the same way the Community's response to President Kennedy's suggestion that joint measures be taken for world-wide reductions in the Atlantic partnership was positive from the beginning.

As regards the immediate future, what is even more important than the customs union is the economic union; that is, the establishment of common policies—a field we only entered at the beginning of this year as we passed to the second stage of the realisation of the treaty. Transition to this stage has been closely bound up with two events of extreme importance—the creation of a new European law on cartels, which is, in fact, only the first step towards a comprehensive and common set of rules on competition as a whole. The next step—to mention no more than that—is the harmonisation of systems of turnover tax.

The second big step taken at the beginning of this year was the establishment of a common agricultural policy with a unified marketing organisation for the most important products, a common system of financing for this policy and a set of rules regarding competition in the agricultural sector. To bring all this under official control represents an extremely large and important undertaking. Since as recently as 14th January of this year, it has called for more than 100 implementing regulations and decisions. This is the beginning of a process which will be concluded by 1st January 1970, when trade between the Member States, including agricultural trade, will be free of all restrictions. Before that, it will be necessary to solve problems as important as that of the question of a common price level, for which the criteria are to be determined during this present year.

In the course of these new developments it has proved necessary to extend the field of competence of the Community institutions and the Commissions.

I am able to report that hitherto, during the few weeks since the common agricultural policy came into existence—that is, since 30th July of this year—it has functioned smoothly and efficiently.

Similarly, we have made progress in the field of common commercial policy. On a proposal of the Commission, the Council has adopted an extensive programme of work, covering the entire field of commercial policy, imports as well as exports, and defining more precisely the ways in which this policy is to be carried into effect and the methods to be adopted. Right from the beginning, the Community has held fast to its aims—namely the liberalisation of trade in the free world, along with the operation of a common policy towards those countries which practise State trading. Those aims remain unchanged.

Again, in the field of transport policy, the first decisions have already been taken, on the basis of two memoranda drawn up by the Commission, setting out the desiderata and the time-table.

Meanwhile, the development of a common economic and monetary policy has also progressed beyond the stage of preliminary studies, thanks to the support of the Monetary Committee and the Economic Policy Committee, the importance of whose work is constantly increasing.

Programmes are also in hand concerning the rights of establishment, the supply of services, the free movement of workers, and other social and political problems.

The movement of capital is already virtually unrestricted. The beginnings of a common policy on structural and regional problems are within sight. The picture is completed by precise proposals for the future European energy policy.

All these, Mr. President, are only examples of the setting in motion of the economic union, which is to dominate the whole of our activity in the course of this, the second, stage in our carrying into effect of the treaty.

The whole internal development of this great structure must, however—and this is the decisive criterion—be carried out in such a way that it in no way conflicts with the Community's European, Atlantic and world-wide responsibilities. Such a development is taking place within a framework which is not merely wider than the Europe of the Community, but wider than Europe itself. This means that the first and foremost task which faces us today in this vast setting is essentially to tackle and find answers to three sets of problems involving questions which are not only exceptionally difficult but are sometimes so novel that the methods and instruments for solving them have still to be devised.

The first set of problems concerns the economic order within the free world itself: on the one hand, the relationship between the developed countries of the free world, and, on the other, the relationship between the developed and the still undeveloped countries. The second set concerns trade between the free world, where the economic order is essentially based on free individual initiative and competition, and that part of the world whose economy is directed on totalitarian lines, *i.e.* the Eastern *bloc*. The third big problem of the day, which is particularly closely bound up with the first, is the question of trade in agricultural products, including tropical products.

To begin with one element of the first set of problems, trade between the industrialized countries of the free world means, if we leave Japan out of account, the trade of the States bordering the Atlantic—the Mediterranean of today. This area comprises the greatest industrial potential in the world, and its welding together is thus an event of immeasurable importance. Problems connected with this trade fall mainly within the province of

GATT and of OECD. They concern the breaking down of trade barriers and, beyond this but related to it, some harmonization of economic policies and the maintenance of monetary stability.

The economic relationship between developing countries and industrialized countries in the free world brings with it a much greater number of problems. In recent years our endeavours in this field have been greatly intensified, but there are still many completely unsolved problems. I am thinking of the differing trend of prices for industrial equipment and for the raw materials produced by the developing countries, which, combined with the very sharp increase in the number of births, constantly aggravates the difficulties facing these countries. Within the field of its competence, *i.e.* particularly in relation to the overseas countries associated with it, the Community is striving to master the tasks here outlined.

The second set of problems is the relationship of the free world to the totalitarian Eastern *bloc*. The trade of this *bloc* is political trade, and as a result all the factors which maintain the economic order found in the free world cease to have their effect. In response to this state of affairs we must begin by applying a common discipline to our business dealings with the Eastern *bloc*. To resort to the rules of GATT would be simply beating the air. The chief means at our disposal are quantitative restrictions, and these, as already pointed out, are being reduced to one quota instead of six. Finally, we must be careful that this trade, which the Eastern *bloc* turns to political ends, does not give rise to a pattern of trade which makes us too dependent on supplies from the East.

The third problem which faces the Atlantic Community and the world, and which the integration of Europe throws into clearer relief, is that of agriculture. Today there is no effective order in the world's agricultural trade. This is the first point to note. Because of various special clauses the rules of GATT, which theoretically should hold good in this field, too, find in practice only limited application to trade in agricultural products.

The difficulties militating against a workable organization of world agricultural markets are of twofold origin. First, agriculture in our day cannot simply be left to those forces of competition and of the market which in other sectors serve as mainspring of our Western economic system. It has special economic features which necessitate particular rules and a specific organization for agricultural markets. The second reason for the difficulties of world agriculture lies in the discovery of chemistry by farmers: scientific advances have made possible increases of production such as could hardly have been imagined at any previous period.

If things are allowed to take their own course, the European Economic Community is now fairly quickly reaching the point where it will be producing more of many items than it consumes. Other States reached this point in the more or less distant past. The most convenient and, therefore, the traditional way out of such a situation is to subsidise the surplus and to offer it on the so-called world market at artificially reduced prices. Since everybody follows this principle the result is a sort of competition in which the financially strongest partner comes out on top—but to everybody's detriment, even his own. What is therefore to be done?

The first step towards placing matters on a sounder basis is a better ordering of agricultural markets within the individual national economies. With its new agricultural policy the Community, which in this connection can already be considered as a single economic area, has provided itself with instruments for attaining a sounder basis. The question for the Community now is to handle these new instruments in such a way that a proper ordering of the situation results. This means especially the use of rational methods to counter the piling up of surpluses, which will be a matter chiefly of price policy.

This building of a healthy order in domestic agricultural markets must be accompanied by a second step—the ordering of world agricultural markets.

The Commission believes—and its opinion is shared by the Member States—that the world-wide agreements on agricultural products already referred to are the very best instrument for this purpose. Agreements laying down specific rules for agricultural trade must be concluded between the chief supplying and the chief importing countries.

Once all this has been said, the question inevitably suggests itself whether the European Economic Community is really in a position to cope with such tasks. The Community can only be equal to these burdens if it fulfils certain conditions. For this reason I should like to conclude with a brief glance at the constitution of our Community, its constitution in the most general meaning of the term.

The first condition is that the Community should be a success economically. Only thus will it have the authority it needs to be taken seriously as a partner in discussions on the solution of world problems. Now, the first four years of the Community's existence have yielded the following results:

Industrial production has increased . . .	29 %
National product in the Community has risen	24 %
Internal trade between Community countries in the same period, *i.e.* since the reference year 1958, has risen by	73 %
The Community's total external trade by .	27.4 %
Of this, trade with the countries which have applied for association has risen by . .	44 %
Trade with Great Britain rose by	41.4 %
This figure of 27.4 % for the growth of trade with all non-member countries is particularly striking when compared with the trend of world trade as a whole. If we exclude the Community's internal trade, the total trade of the free world rose during the same period by only . . .	19.4 %

The Community has therefore proved itself to be one of the most potent factors stimulating world trade.

Expansion is continuing at the same pace, if one considers the figures for the first quarter of 1962.

The second condition for the Community to succeed in its task is a political one. The Community must be sufficiently armed for political and administrative action to be able to cope with this task. This capacity for action already exists, and the mastering of such difficult problems as that of a common agricultural policy is proof of the fact. On the other hand, there is absolutely no doubt that the machinery must not in any circumstances be impaired. The ability of the Community to act in its dealings with the outside world as a single entity speaking with one voice for all its Members must be retained, even if the number of these members increases and membership of the Council of Ministers and the number of nationalities in the Commission automatically rises as a consequence.

In any case the Treaty already provides for constant improvement of the institutional structure of the Community. Moreover, we do not abandon the hope that it will be only a question of time before the idea of verification acquires wider application, moving from the field of economics to that of defence, external policy in matters other than economic, and cultural policy.

To sum up, the power to master the tasks with which the world situation and our destiny confront us is the yardstick by which we must measure all new plans to extend our Treaties, whether geographically or in their subject-matter. This is the only essential yardstick, since we find ourselves face to face with a historical necessity which is becoming more and more imperative. With all new plans we must ask ourselves whether they provide something which will promote unity in the most vital spheres of Europe's life or whether they will lead to diversion

and dissipation of our energies, thus impairing what exists and has proved its political usefulness. The answer to this question is the touchstone for all schemes intended to shape European policy.

Mr. Chairman, Ladies and Gentlemen, if I close with these remarks on our institutions, this does not mean that I believe the organs of the European Economic Community capable of carrying the day by themselves. All those who bear direct European responsibility are most deeply convinced that these operations, which call for the exercise of will power every day and every hour—nothing that has happened in this sphere happened automatically—can lead to success only if they are supported by the conviction, the approval, and the resolve of the peoples you represent here to advance along the European road.

It is, above all, for this reason that I thank you for your attention.

(*Applause.*)

The Chairman (Translation). — I am grateful to you, Dr. Hallstein.

I now call on Mr. Sassen to speak. Mr. Sassen is deputising for Mr. Châtenet, President of the Commission of Euratom.

Mr. Sassen (*F*) (Translation). — Mr. Chairman, Ladies and Gentlemen, the Joint Meetings of the European Parliament and the Consultative Assembly of the Council of Europe are, happily, becoming an established tradition. They offer us an opportunity not only of giving you a survey of our activities but also of seeing our responsibilities towards the whole of Europe reflected in the discussions of the representatives of the European

peoples, in the useful and fertile two-way exchange of views between these two European Assemblies.

It is generally the Presidents of the Executives who present to you the progress reports of their Communities. To his great regret, Mr. Châtenet is unable to be here. It is therefore to me that the honour falls of sketching for you the broad outlines of Euratom's activities and of telling you something of its present position, its programme and future trends.

I do not propose, Mr. President, to give a detailed account of our Community's achievements over the past year. These are adequately described in the Fifth General Report on the Activities of the Community, which has been made available to you (and which, incidentally, will be discussed at the October Session of the European Parliament) and in Mr. Eduardo Martino's excellent report on the activities of the European Parliament. But I should like to call your attention to some of the more characteristic aspects of our achievements—undertakings which hold particular significance for the development of our Community and its relations with other countries.

Mr. Chairman, 1962 so far gives promise of being particularly rich in important events for the future of Europe. The transition to the second stage of the Common Market was a decisive step towards the attainment of EEC's objectives. The negotiations on the accession of other European countries, the association of the African countries, the association or proposed association of a number of European countries, President Kennedy's initiative and the recent attention paid by the Communist world to the European Community are all indications of the new position which Europe will occupy in the world.

For Euratom too, 1962 marks an important turning-point From the entry into force of the Rome Treaty up to the present time, Euratom has been engaged in organising its structure, in making fundamental decisions regarding its objectives and creat-

ing the essential conditions for developing a nuclear industry and carrying out a first five-year research programme along the lines laid down in Annex V of the Treaty.

During the initial years of its existence, Euratom recruited a nucleus of research workers and administrators, established its central services, set up its Joint Research Centre, comprising two general-purpose establishments at Ispra and Petten and two specialised establishments at Karlsruhe and Geel.

In 1959, the Commission formulated the three main guiding principles of its research work; namely, the uses of atomic power, the study of controlled thermonuclear reactions and the applications of radioisotopes and radiations. It also determined the means whereby it was to be effected namely, the Joint Research Centre, associations, research contracts and agreements for co-operation with non-Community countries.

Euratom's achievements include the fixing of basic standards for health protection against ionizing radiations, the creation of a nuclear common market, the elaboration of provisions concerning third-party liability and nuclear insurance and of a system for disseminating information, the establishment of a patents system and the institution of safety controls. In the field of research Euratom has, in addition to the work done at its own Centre, concluded some 350 research and association contracts. There has also been a rapid rise in the number of patents filed. Lastly, fruitful relations have been developed with the United States, Great Britain, Canada and other non-member countries and with international organisations such as the European Nuclear Energy Agency.

1962 saw the completion of Euratom's initial projects, including its first five-year research programme. But we do not mean to rest on our laurels. Our attention is already focussed on the future, and the most important event for us this year is the establishment of a second five-year programme, constituting the second phase in the Community's activities.

Under this programme we shall not only pursue the research already started under the first programme, but also extend it considerably, thanks to the increased means to be put at our disposal. For the first programme we had some 215 million units of account; for the second our ceiling is 425 million, plus the entire unexpended balance from the first programme, amounting to some 20 million, which the Council of Ministers has authorised us to use for work to be carried out between 1963 and 1967. Thus the total amount at our disposal is at least 445 million units of account, more than double the amount allocated for the first programme.

By taking a decision on the second five-year plan as early as 19th June, the Council of Ministers enabled the transition from the first to the second programme to be effected most satisfactorily. Their decision takes fully into consideration the Commission's proposals as regards both the structure, balance and contents of the programme and the funds asked for, 90 per cent of which were granted. The decision is therefore a clear indication of the Council of Ministers' confidence, of the confidence of the member States, in the Community.

The philosophy underlying this second programme is, it seems to me, of some interest to the members of our two Assemblies, in so far as it enables us to draw significant conclusions regarding the entire question of European integration.

The second five-year programme is based on the idea that it is Euratom's responsibility to achieve an integrated nuclear community, which implies that Euratom's programme and national efforts must be complementary. Each member country is engaged in its own research undertaken and pursued independently.

Euratom is the centre where all the national programmes and the Community programme are displayed and confronted. The Euratom programme enables the various national programmes to be co-ordinated and supplemented. It is through the implementation of this programme in the course of the next

five years that the entire nuclear effort of individual member countries and of Euratom will be gradually integrated at Community level.

At a time when other European States are entering into negotiations with a view to membership of the European Communities, this coherence between Community and national effort is helping to make our Community both a nuclear entity capable of taking its place among the other nuclear world powers and—I can say this in all modesty—a desirable partner for any who might wish to join or collaborate with it. We do not by any means regard our role as that of an extra-national organisation working in isolation. Euratom is the catalyser, the driving force, the incarnation of a whole, encompassing and transcending national units.

This is reflected in our second programme, whose function it is to give concrete form to the Community concept of European nuclear collaboration. This function is clearly brought out in the choice of ways and means of carrying through the programme and the apportionment of available funds among them. The programme is to be carried out partly by Euratom's own Joint Research Centre and partly by means of associations, contracts and collaboration with non-Community countries.

Our Joint Research Centre, as you know, comprises four establishments. At the general-purpose establishment at Ispra, priority is given to the Orgel programme, the computer Centre and the processing of scientific data. Orgel, let me remind you briefly, is a natural or slightly enriched uranium type reactor, moderated by heavy water, into which heat is conducted and then converted into electricity by means of an organic liquid The computer Centre, equiped with electronic computers, serves to satisfy the calculation needs of Euratom and the other European Communities and to promote the development of automatic documentation and even translation. It is to this end that we have concluded agreements for co-operation with the Americans, the British and the Canadians.

The establishment at Petten, also general-purpose and an experimental centre under radiation, concentrates mainly on problems concerning graphite and fuels for high combustion reactors. Maximum use will naturally be made of the high flux reactor there.

The Karlsruhe establishment specialises in transuranium elements and has consequently the task of co-ordinating research work on plutonium and transplutonium elements.

The Geel establishment specialises in nuclear measurements.

These, Euratom's own activities, account for roughly half the second five-year programme.

The second line of action is pursued by means of associations whereby Euratom undertakes particularly important operations in conjunction with national centres or research agencies. This implies not only a common programme and the pooling of financial resources and research results and consequently a certain extension of our programmes and our financial means, but also close collaboration between Euratom personnel and the personnel of the centres or agencies where the work is to be carried out.

Then, there is work done under contract: study contracts, contracts for specific experiments in the technical and technological spheres, contracts for the development of special equipment and special plants. The contractors are either research institutes or, in numerous cases, private industrial concerns in the member countries.

Lastly, thanks to international agreements, such as those concluded with the United States, Great Britain and Canada and recently with Brazil and the Argentine, our activities are being extended to cover a much vaster area than that of the Community.

As far as research subjects are concerned, the energy applications of fission remain the most important. We shall pursue the development of the particularly important reactor strings, namely, the Orgel programme, the high temperature gas-cooled

reactors and fast reactors fuelled by plutonium. We shall also continue research on reactors of proven types and shall assist in the operation of materials testing reactors. We shall also give our attention to the re-processing of fuels and the processing of radio-active waste.

Important though this research may be, the Community naturally continues to be interested in other uses of nuclear energy such as the uses of radioisotopes in medicine and agriculture, marine propulsion and research on fusion and plasma physics.

We intend to pursue our work in the spheres of biology and health protection, since Euratom is concerned with the effects on health of the development of the nuclear industry. In addition, the programme includes activities relating to the dissemination of knowledge of general documentation to education and to the training specialists.

These are the broad lines of the second programme. It covers more than twice the ground covered by the first programme and represents a joint effort by the member States, thus confirming the Community's role as Europe's first great community undertaking.

Mr. Chairman, without wishing in any way to pass over the Community's tasks, aims or activities in a host of other fields set out in the Treaty, which have been discussed on other occasions, I have taken the liberty on this occasion to speak of Euratom as a community enterprise. In comparisons between the three European Communities, a special aspect of our Community is often overlooked. Euratom is not only an institution with officials, meetings, studies, regulations and directives, it is also an enterprise with sites, premises, laboratories, machinery, engineers and workmen. It is an enterprise which, in addition to its 762 officials and research workers in Brussels, employs a staff of 1,428 persons spread over 30 centres in Europe, the great majority of them being scientists and technicians.

The implementation of the second programme will entail a considerable increase in research personnel and will accentuate still further the human symbiosis which has already taken place at Brussels, Ispra and Geel. Petten and Karlsruhe and all the places in which associations and research contracts are concluded will also become congregating points having a federative effect not only in the technical field but also in the human and spiritual fields, bringing together technicians from different countries and often from different branches of science, acquainting them with each other's methods and accustoming them to work together.

I think that this aspect of Euratom as an enterprise and the human element in its activities deserve to be stressed. Mention should also be made of the economic consequences of its work and more especially the economic consequences of the second five-year programme.

The essential aim of the second five-year programme is to make nuclear energy competitive. The use of nuclear energy for the generation of electricity has not yet reached this point, but it is already moving beyond the experimental stage. Thanks to research and experimentation at industrial level, it is benefiting and will benefit in the future from new developments which, in a few years' time, will put it in a position to compete with, and ultimately sell more and more cheaply than, electricity obtained from conventional sources.

Once this stage has been reached, nuclear energy will become an important factor in the supply of energy and will alter the terms of the energy policy problem as they stand at present. It will contribute not only to reducing prices but also to safeguarding the Community's energy supplies, thanks to the facilities offerred by fissile fuels. This nuclear energy contribution will be all the more important because it will be used primarily for the production of electricity, a form of energy whose consumption is increasing and will continue to increase substantially for a long time yet.

This brings us to the fact that Euratom's activities and research programme, on the one hand, and efforts to frame a common energy policy, on the other, are inter-dependent. It is for this reason that the Commission has, from the outset, taken an active part in the work of the inter-executive "Energy" group—and that is why the memorandum on energy policy adopted by that group on 25th June 1962 and submitted by the High Authority and the two Commissions to the special ECSC Council of Ministers refers explicitly to Euratom's second five-year programme, for in the view of the inter-executive group this programme constitutes an important step towards placing the Community's nuclear industries in a position to play to the full the cardinal role which they should assume, in the general interest, as soon as that nuclear energy becomes competitive.

The technical impact of the research results communicated by Euratom constitutes an effective contribution to the development of the Community's nuclear industry. Its effects are not, however, limited to the nuclear industry proper. In order to construct reactors, it is necessary to carry out research in metallurgy, electronics and other industries. Technical progress in the nuclear field will consequently lead to progress in many others.

Mr. Chairman, Ladies and Gentlemen, in this survey of the second five-year programme I have highlighted certain fundamental aspects of Euratom's activities. Before concluding, I should like to make a few remarks about a problem which, as at previous Joint Sessions, will doubtless be of major concern to members of both Assemblies. I refer to Euratom's relations with other European countries and to its possible extension through the accession of new members.

The Euratom Treaty prescribes that the Community shall establish with other countries and with international organisations any contacts likely to promote progress in the peaceful uses of nuclear energy. In the very first year of its existence, Euratom concluded agreements with the non-member countries most advanced in nuclear science and technology. Since the Commis-

sion has had, at its disposal, the establishments of the Joint Research Centre, the implementation of these agreements has taken the form of a genuine exchange of experience and information on what I think I may call a basis of equality. Substantial progress has been made in developing these agreements.

A number of amendments to the co-operation agreement with the United States came into force on 9th July 1962. The purpose of the first of these amendments is to create the possibility of hiring the fissile materials needed for operating the power reactors to be built under the joint United States-Euratom programme, which hitherto provided only for the purchase of these materials; this is a big step towards creating competitive conditions.

The object of the second amendment is to place at the disposal of the Community—by purchase or hire—either for research purposes or for supplying power reactors other than those constructed under the joint programme, the unused quantities of fissile materials left over from the quota of 30 tons of contained uranium reserved for the joint programme.

Provision has also been made for the European nuclear industry henceforth to process into fuel elements the uranium 235 imported from the United States, even if these fuel elements are intended for export. Similarly, under the new protocol, fuel elements imported from the United States may undergo chemical processing in the Community. These amendments and codicil are in part a normal development of the 1958 agreement, but they also illustrate the growing co-operation between the United States and Euratom and they have greatly strengthened the Community's supply position.

The growing interest being taken in co-operation with the United States also finds expression in the offers submitted by the *Société d'énergie nucléaire franco-belge des Ardennes* (SENA), *la Società Elettronucleare Italiana* (SELNI) and the *Rheinisch-Westfälisches Elektrizitätswerk AG* (RWE) in collaboration with the *Bayern-Werk AG*, in response to the invitation issued by the

Euratom Commission and the United States Atomic Energy Commission under the second part of the joint power reactor programme.

Considering what has been achieved during the first part, it is not unreasonable to hope that 1965 will see the construction, under the United States/Euratom agreement, of atomic plants of a total power of some 700 MWe.

Since we are on the subject of power reactors, I should like to add a word or two on the Euratom Commission's own action in promoting the building of power reactors. It is through participation that the Community is benefiting and will continue to benefit from the entire field of experience gained from power reactors under construction. It is already participating in three power plants, namely those of SENN, SENA and SIMEA (*Società Italiana Meridionale Energia Atomica*) and propose participating in two other projects, those of RWE and the SEP (*Samenwerkende Elektriciteits Producenten)* in the Netherlands.

Co-operation with Canada is also making headway. The United States too has become interested in the research work on the heavy-water-moderated, organic-liquid-cooled type of reactor which forms the main subject of our technical agreement with Atomic Energy of Canada Limited. The tripartite co-operation which has resulted will permit a still more intensive exchange of information.

The Commission has further extended the field of its collaboration with non-Community countries by concluding co-operation agreements with Brazil and the Argentine, which were signed on 19th June 1961 and 4th September 1962 respectively.

Contacts have also been strengthened with certain European countries and with Japan. In 1961 there was an exchange of visits between the Danish Government and Danish Atomic Commission and the Euratom Commission. The Commission also paid an official visit to Japon at the invitation of the Japanese Government.

In June of this year, the Commission went on an official visit to Sweden at the invitation of the Swedish Government.

Collaboration with the European Nuclear Energy Agency in the framework of OECD has been extended and consolidated. In particular substantial headway has been made in implementing the so-called Dragon Agreement. Negotiations have been entered into with a view to extending this agreement till 31st March 1967, a move which Euratom has already provided for in its second five-year programme, subject to certain clauses still to be settled.

Co-operation with Great Britain, based on the 1959 agreement, has been considerably intensified and widened over the last few years. In addition to the exchange of information and scientific personnel, the agreement also covers the delivery of nuclear materials. Negotiations are in progress concerning deliveries by Great Britain for the first reactor programme provided for in Euratom's second five-year programme.

All these exchanges form a solid basis for a highly important event in Euratom's relations with other European countries, namely, the negotiations on Great Britain's accession.

The Euratom Commission, for its part, is convinced that Great Britain's accession is in the mutual interests of both partners. It will be an advantage to the Community to have, as a new member, a country with the nuclear experience of Great Britain. Accession will enable Great Britain to diversify its experience in this vast field and to benefit from the Community's scientific, technical and economic knowledge gained from the wide experience made possible by Euratom's own activities and by co-ordinating the research and industrial achievements of the Community member countries.

We are glad to see from Mr. Heath's statement of 3rd July, to the Conference of the Governments of the Community and of Great Britain, that the British Government shares this view.

With your leave, Mr. President, I should like to quote a few passages from this statement, which seem to me to sum up the situation clearly and precisely:

(1) "There are so many ways along which atomic energy can profitably be developed and so many problems which need to be solved that no one country can hope to pursue them all successfully. Progress will be sure and quicker if we co-ordinate and combine our efforts."

(2) "Our accession to Euratom would make our co-operation much closer and more comprehensive with great advantages to us all."

(3) "We are ready to accept the substantial provisions of the Euratom Treaty as they stand. The only amendments we think we shall have to suggest to the Treaty itself will be those which are the necessary consequence of the accession of a new member to your Community."

(4) "We have admired your achievements in the atomic field and we think that we have something worthwhile to contribute. United we believe that Western Europe, which has led the world in so many other fields of scientific endeavour, will also be in the vanguard in developing the peaceful uses of atomic energy."

Mr. Chairman, I have nothing to add to these quotations unless it be that we welcome the positive attitude adopted by the United Kingdom Government in the negotiations with Euratom.

Denmark has also requested the opening of negotiations with a view to joining Euratom at the same time as it becomes a member of EEC. The Council of Ministers has unanimously granted this request. Negotiations are planned to begin on 25th September.

We have therefore reason to hope that European integration will continue on an ever-wider basis and that the new Europe gradually taking shape will occupy its rightful place in the world, the place which belongs to it by tradition, by its civilisation and, above all, by the energy and genius of its peoples. I whole-heartedly endorse Dr. Hallstein's closing remarks concerning this development in European integration. I am entirely of his opinion as regards the criteria for judging new projects

designed to further European unity. May our generation succeed in adapting Europe to the conditions of the modern world, enabling future generations to live in peace, liberty and prosperity by giving united Europe the means of promoting, with foresight and perseverance, the well-being of other parts of the world, too! May this peaceful influence be a source of lasting honour and happiness for Europe; such is the wish of my colleagues and myself! Mr. Chairman, Ladies and Gentlemen, I thank you for your attention.

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

Mr. Malvestiti, *President of the High Authority of the ECSC, (I)* (Translation). — Mr. Chairman, Ladies and Gentlemen, 10 years ago, just about this time, the Common Assembly of the European Coal and Steel Community met in this same Hall for the first time. With that meeting a new experiment began for Europe: within the family of European peoples six countries were inaugurating a new method of building European unity—the method of a common market.

The Six are convinced that they have done an important job of work not merely in their own interests but also in the interests of that greater Europe of which they themselves are but a part. This conviction, moreover, finds corroboration in the positive judgement shown by a number of European countries in seeking to match up with this experiment—by the mere fact of their requests for accession to the Communities. The European Communities are thus today at a turning-point of the greatest importance.

Last year, I appeared before this distinguished Assembly a few weeks before the beginning of the negotiations between the United Kingdom and the Six with a view to Great Britain's joining the European Economic Community.

On 2nd March last, the Government of the United Kingdom made a similar request to the President of the Special Council of

Ministers of the ECSC for British membership of the Coal and Steel Community. The High Authority would wish to place on record its very great satisfaction at this development.

On 16th March, the Kingdom of Denmark, too, asked to join the ECSC. If and when Denmark joins, the Community will include among its Members a country that is almost exclusively a consumer country, for coal and steel. I may remind you, in this connection, that one of the objects of the Treaty is to obtain a more rational distribution of production, and another the establishment of lower prices; thus, in the process of stimulating sound conditions of production, it is, too, looking after the interests of consumers. A first preliminary meeting with the British delegation took place on 17th July. The negotiations will start officially only on 4th October and will proceed closely in parallel with the negotiations for the accession of the United Kingdom to the other European Communities. The High Authority will, of course, be taking part in the negotiations in an advisory capacity. We are confident that these negotiations will achieve mutually satisfactory results. And we are hoping to be able to make an early start and rapid progress with the negotiations with Denmark, so that these may also be satisfactorily concluded.

While these requests for membership which I have recalled to you are a sign of transformation in the relations of the Community with certain third countries, inside the common market of coal and steel there is also going on all the time a process of structural transformation. The economy as it is today in regard to these two products is indeed very different from what it was 10 years ago.

To begin with, as you know very well, coal has been steadily losing—especially in recent years—its importance in fulfilling the energy requirements of the Community: whereas in 1952 coal accounted for more than two-thirds of the total energy demand, in 1961 it covered only a half.

The consumption of petroleum products, in relation to the

total energy consumption, on the other hand, went up from 15 per cent in 1952 to 30 per cent in 1960—and it will probably reach the figure of 50 per cent in 1970. And there is another factor. Alongside the competition of petroleum products, Community coal has to contend also with competition from American coal—this has been intensified particularly since 1958. American coal-mining, as is well known, is carried out at levels of productivity far higher than those achieved—or those possible—in the mines of the Community. As long as Atlantic freight rates remained expensive, transport costs represented for Community coal a means of, so to speak, geographical protection, but once those rates come down that geographical protection was bound to be considerably reduced. The European mines thus have to cope with a hard process of adaptation to the new conditions of the market, a process made all the more difficult by the social policy implications.

While, then, that part of energy requirements which could be covered by Community coal was all the time being reduced, the Six found themselves in the position of having to depend on imports for the energy supplies necessary for their economy. That means that there was a problem of security of supplies from the various energy sources, a problem which has contributed notably to the decision of the Six to make a comprehensive study of appropriate measures for co-ordinating their energy policies.

The ECSC, according to those who set it up, was destined —through the machinery of the Common Market—to secure regular supplies of coal from the basins of the Six for the various countries of the Continent. But now it is required, 10 years after it was set up, to adapt its own production to supply sources outside the Community. At the same time, the Six are constrained to introduce a number of Community expedients in order to ensure supplies of energy from non-European territories.

A transformation of another kind, no less significant from the economy point of view, is under way in the steel market. At the time when the Common Market was instituted the manufacture of steel in coastal regions was a characteristic of two

countries of the Community—countries which, poorly furnished with coal and iron ore, were obliged to import supplies from countries overseas. These two countries were then the smallest producers of steel of the Community. But, over last few years, we have witnessed the spread of steel manufacturing near the coasts in other countries, too, even though they may be richly supplied with coal and iron ore. In the steelworks of the Community situated near the sea, we find that in 1961, in fact, nearly 5 million tons of steel were produced and for 1965 a production not far from 8 million tons is forecast. All this means that the original calculations as to the maxima of economic production of coal and steel have ncessarily undergone a change. Up to yesterday, any such calculations required—in Europe—the siting of blast furnaces in relation to coal or iron ore mines. Today, it may well be convenient for a metallurgical enterprise to have its works set up on the coast, where it is possible to receive, at better prices, both coal and abundant iron ore from overseas countries.

The iron and steel industry, moreover, has in recent years benefited by important innovations in production techniques. New steel manufacturing methods have spread—over and above the classical Thomas & Martin processes. In regard to rolled steel, technical progress has been even more remarkable and it raises new problems of investment policy and economic policy. Modern rolled steel factories now achieve very high production capacity—up to 2 million tons a year, and, if they are to be fully used, this means a necessary expansion of production units.

The coal market is moving towards new structural forms. The Community collieries are now involved in the process of adaptation—which in 1961 has meant a further reduction in production, curtailing it to 230 million tons—that is, 4 million less than in 1960. In the first half-year of 1962 production has undergone further cuts in relation to the first half-year of the previous year.

In 1961 the imports from non-member countries increased by about 1 million tons, reaching a total figure of more than

18 1/2 million tons. Imports from the Community States continue to represent the largest element—two-thirds of total imports. I should perhaps say, however, that in 1961 imports from the United States were slightly less, whereas imports from the United Kingdom and countries beyond the Iron Curtain were increased.

Exports of Community coal to third countries remained, in 1961, at the same level as at the previous years: exports of metallurgical coke, on the other hand, were slightly down. The chief countries which take coal and coke from the Community are still Switzerland, Austria and Sweden.

I should add that last year the High Authority had to maintain the measures introduced previously to meet the coal crisis: the partial isolation of the Belgian market and the recommendation to the Federal Government to maintain for a further period —until the end of 1962—tariff protection with a tax free quota. These measures have undoubtedly contributed to easing the job of adaptation which all concerned are under an obligation to carry through as best they can—Governments, High Authority, enterprises, workers. We all know that one of the most disturbing aspects of the coal crisis is the unemployment which it is apt to cause. In this respect, it is true, the situation has continued to improve during 1961; over the last year, indeed, partial unemployment has practically disappeared.

The reduction of the labour force has continued in 1961 but more slowly than in the previous years. Nevertheless, after a period of slowing-down, or, indeed, of cessation of recruitment, a number of firms find themselves now compelled to recruit additional staff. Because of a shortage of local labour, the German concerns and some in Northern France have had to bring in labour from other countries of the Community and also from third countries, specifically Spain, Morocco and Tunis.

The particular contribution which the High Authority can make in the struggle against unemployment is specifically indicated in the Treaty. The treaty instruments provide for the possibility of intervention in the event of technological unem-

ployment, within certain limits in cases of unemployment due to changes in the economic climate, and also, following upon the revision of 1960, where there is structural unemployment. The High Authority has made full use of these instruments. But I must admit that they prove to be inadequate when the crisis is so extensive as to involve a real state of decay in regional conditions.

In such a case intervention must go further and explore whether there is not some means of stimulating in the region undergoing a crisis new industrial undertakings capable of absorbing in stable occupations the man-power which is redundant. Towards the end of 1961 the High Authority made its initial contributions to industrial re-development operations in Belgium and in France, helping to finance certain business concerns which, by creating new activities, are pledged to take on redundant man-power from the coal industry.

I need hardly remind you that in matters of regional policy it is the Governments that bear the principal responsibility. The Communities are only too conscious that their task does not consist merely in watching over certain rules of the game of the Market but also stimulating, where possible, whatever structural transformations are required by the new European economy.

Now, one of the principal transformations of a structural character in the economy of the Six is the following: from being an economy largely self-sufficient in the matter of energy production, it is on the way to becoming largely an importer of energy. That is a metamorphosis involving not a few unknown factors, and not a few tiresome problems, though one must agree that it is a transformation marking the end of a particular period.

The High Authority, in agreement with the Brussels Commission, has over the period since 1960 presented to the Council of Ministers of the ECSC a variety of provisions directed to the co-ordination of national energy policies. While the Governments were studying these proposals the idea was gaining ground that a mere co-ordination of energy policies was bound to be an

inadequate solution if only because coal and oil do not nowadays represent separate markets. We heard something about this just now from our colleague, Mr. Sassen. The fact remains that coal and oil are subject to different norms: the latter is catered for by the Treaty of Rome and coal by the Treaty of Paris. And the two Treaties have quite a number of points of difference, for example, with regard to safeguarding clauses, prices, and conditions of sale, subsidies, coordination of investments and commercial policy. In view of this state of affairs, it appeared, ever more clearly, that the best solution was a radical solution: namely, to procure a common market for energy in its different forms, to apply common rules and—if necessary—to have a single management authority.

Let me remind you that the studies of the Executives, from last April onwards, were oriented precisely in this direction, and on 17th July last, the High Authority, operating as the mouthpiece of the Commission, presented a series of proposals to the Council of Ministers of the ECSC.

These new proposals are designed to achieve by 1970 a real, authentic common market of energy sources, and one that is "open." Such a common market is designed to be conducive in the long run, to low prices, but arrangements have to be made so as to avoid provoking social disturbances in the coal sector of the economy and so as to ensure a reasonable security of supplies.

When you consider that today the price of imported energy is lower than the price of energy produced at home, and that the difference between the two prices may increase, the only possible conclusion can be that a system of support for domestic production must be found which will make it possible for the vital part of Europe's coal industry to become integrated without social upheavals in an open energy market. Such supports will at the same time enable the Six to maintain a nucleus of their own coal production.

Clearly, an open common market for energy will never be realised without adequate transitory measures. But, from 1970

onwards, in line with the beginnings of the definitive period laid down in the Treaty of Rome, the Executives are proposing a common market for energy with the following principal characteristics:

(a) some system of Community aid for domestic production of coal in the form of direct or indirect subsidies;

(b) the free import of crude oil, of petroleum products and of coal, imports from the countries beyond the Iron Curtain being subject to a Community quota system;

(c) nil tariffs for coal and crude oil and low rates for petroleum products;

(d) publicity of the prices effectively applied for petroleum products with, however, an alleviation for coal of the publicity stipulations laid down in the Treaty of Paris;

(e) a common policy for petroleum waste products;

(f) permanent arrangements for consultation between the Governments and the Commission of the EEC on investment plans for the oil industry (the Treaty of Paris confers on the High Authority, as we know, the task of furthering the co-ordination of investments in the *coal* industry).

These proposals were discussed for the first time at the Council of Ministers on 17th July last and are still under study by the Governments.

Contrary to what has happened with coal, the production of steel in 1961 has still further increased, now reaching 73.3 million tons—in other words half a million tons more than in 1960. It is true that in the first six months of the present year there has been a reduction in comparison with the figures for the same period of last year.

Competition is becoming fiercer, both in the domestic markets and in the world market. In 1961, for the first time since 1954, exports of the Community to third countries declined to $10\,^1/_2$ million tons. But if we turn to the other side of the

picture we find that imports of steel *from* third countries to the Community have increased, now reaching 2 million tons. Specifically, imports were increased from Sweden and Spain, though from Austria they were reduced.

As I see it, there were a number of different reasons for this increase in imports. In the case of some of the countries bordering on the Community it is simply a normal development of trade currents. The increased imports from Spain, on the other hand, seem to be due to the fact that Spain's iron and steel industry has at the present time a surplus of exportable semi-manufactured products. In addition, the Soviet Union is intent on developing its commercial relations with the countries of the Common Market.

What forecasts are to be made for trade between the Community and third countries in the next few years?

The conclusions we have come to from studies recently undertaken by the High Authority are that in 1965 the net exports of the Community might well reach 14 or 15 million tons, *i.e.* 5 or 6 million tons more than the figures for 1961. This forecast, however, is not without certain elements of uncertainty. We have to take into account a number of elements which are not easily measurable; for example, the development of demand of the developing countries; the orientation of trade policies of countries which are traditionally exporters, like Japan, and, finally, the arrival on the world market of steel from 'new' countries like the U.S.S.R.

It will be possible for production to be maintained only if there is no lack of man-power. In some regions we may observe a certain difficulty in recruiting labour, and quite a number of firms are compelled to resort, more than in the past, to labour from other regions or from other countries, both members and non-members of the Community. The biggest quota of workers from third countries is supplied by Spain.

As is well known, the principal countries of the Community

decided to include iron and steel products in the so-called Dillon tariff negotiations conducted within the framework of GATT—negotiations which have already produced beneficial results for the majority of the participating countries.

As regards specifically the iron and steel sector, reductions in tariffs agreed to by the countries of the ECSC have been, admittedly, somewhat modest. But it is necessary to bear in mind that the harmonised external tariff for ECSC products was fixed, from 1958 onwards, at a level which was one of the lowest in the world.

Mr. Chairman, Ladies and Gentlemen—ten years have elapsed since the High Authority was set up and since the Common Assembly of the ECSC simultaneously held its first session. These circumstances seem to me appropriate for summing up the lessons of this decade. One question arises at once: "Has the Treaty fulfilled its promises?"

The Six, for their part, have already replied affirmatively by the fact that the EEC and Euratom have modelled themselves pretty well on the same pattern. But from third countries, too, there have been positive indications of appreciation. The proof of that is, of course, the requests for accession from Great Britain and Denmark—accession to all three Communities—and from Ireland and Norway to the EEC; also the Association Agreement concluded by the EEC with Greece, and, finally, the requests for association with the EEC presented by Austria, Portugal, Sweden, Switzerland, Turkey and Spain.

There is no doubt that the Common Market has made it possible for the economics of the Six countries to get the utmost benefit from the favourable economic "conjuncture" of the last decade. The ECSC is, indeed, the only economic area of the West which has contrived—in these years—to improve its position among the major producers of steel of the world. In the past year, it has, in fact, exceeded 20 per cent of world production.

I am convinced, too, that the situation of coal today would

be far more serious if the Common Market did not exist. The Common Market represents indeed a factor of equilibrium. Thus, up to 1957, at a time when coal was scarce in Europe, the Common Market represented the instrument for securing for all consumers of the Community a regular flow of coal at reasonable prices. Today, in conditions entirely different, the Common Market is there to facilitate for European coal the quest for markets—as it also reduces the selling difficulties.

But if the Common Market has fostered trade between the Six it has also stimulated trade with third countries by the application of the "open door" policy. From the beginnings of the Common Market the imports of iron ore of third countries have trebled, reaching the figure of almost 35 million tons in 1961. Among the suppliers of ore to the Community Sweden occupies first place, well ahead of the others. Imports of steel, similarly, have increased—from a little more than half a million tons before the opening of the Common Market to almost 2 million tons in 1961. Exports of steel have virtually doubled, exceeding 10 million tons.

Exports of coal and coke have gradually diminished, whereas imports, with certain notable fluctuations, have gone up from almost 14 million tons in 1953 to about 19 million tons in 1961. This development must be stressed. In relation to ten years ago the Community, obviously, imports more coal and exports less. Within the framework of this shift of emphasis we notice an increase in imports from the Iron Curtain countries, such an increase being discernible in almost all European countries, whether or not they are Members of the ECSC.

The situation of the coal and steel market is indeed very different from the state of affairs that Europe presented at the time of Robert Schuman's famous statement. Then, Europe was busily engaged on reconstruction, under the threat of an excess of steel on the one side and inadequate supplies of coal on the other side. Well, in the ten years that have elapsed, steel has shown that prodigious development which I have recalled to you—while the production of coal in the more recent years has had to be curtailed.

This step backwards which could not be foreseen at all ten years agon has been a test for the validity of the social provisions of the Treaty, provisions designed to be safeguards and which have shown themselves to be appropriate and beneficent.

From the beginnings of the Common Market the High Authority opened certain credits designed to supply aid for re-adaptation of unemployed labour—owing to structural changes—for more than 46 million units of accounts; and more than 130.000 workers benefited by this. To meet unemployment due to a shift in the economic elimate, the High Authority opened credits for some 7 million units of account. Apart from this, the High Authority contributed to the building of more than 56,000 workers' dwellings. The social activities of the High Authority were not limited to the domestic sphere; they extended to the international sphere with the organisation of the Conference on security in the mines and the Conference on regional re-development, in which representatives of third countries also took part.

In the past decade the Community has been at pains to maintain good relations with third countries.

Relations with Great Britain very soon found their institutional expression in the Association Agreement of 1954, which has proved extremely useful and has undoubtedly contributed to facilitating the closer relations between the United Kingdom and the Community. Special agreements were also concluded with other countries: with Switzerland a railways agreement, and also consultation arrangements; with Austria, also an agreement on railway traffic.

In certain third countries, as for example the United States and Switzerland, the High Authority issued loans of substantial amounts. I need hardly say that the High Authority has maintained diplomatic relations with a number of countries from all parts of the world and that the High Authority has built up organic contacts with international, economic and social organisations and has actively taken part in their proceedings.

The High Authority is convinced that the good relations established with third countries and the international organisations have made an appreciable contribution to the success of its work. It is convinced, moreover, that these relations have been a help in preparing the ground for an organic *rapprochement* with the other European countries, such as is now taking shape and on which the High Authority can only express its satisfaction.

Mr. Chairman, Ladies and Gentlemen, the European Coal and Steel Community is conscious of having made, during the past decade, a fundamental contribution to the building of European unity. As I said, this unity of Europe is now at a most important turning-point, and we are on the eve of far-reaching changes. Whatever changes there may be, that Community will continue, with an ever higher measure of success, its good work in the promotion of European integration.

Orders of the Day of the next Sitting

The Chairman. — There will be two Sittings tomorrow at 11 a.m. and 3 p.m. The Order of the Day is: exchange of views between members of the Consultative Assembly of the Council of Europe and members of the European Parliament.

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

SECOND SITTING

TUESDAY, 18th SEPTEMBER 1962

IN THE CHAIR: Mr. FEDERSPIEL

President of the Consultative Assembly

(The Sitting was opened at 11.5 a.m.)

The Chairman. — The Sitting is open.

1. *Activities of the European Parliament (Resumed Debate)*

The Chairman. — The Order of the Day this morning states that the debate will include a general exchange of views between members of the European Parliament and members of the Consultative Assembly of the Council of Europe, based on the reports which were made to the Sitting yesterday afternoon. The debate will continue this afternoon at 3 o'clock.

If there are any more Representatives who wish to speak, may I ask them to give in their names as soon as possible in room A.68?

I propose to close the list of speakers at 12 o'clock.

Is there any objection?

The list of speakers will be closed at 12 o'clock.

The first speaker on the list is Mr. Gustafson.

Mr. Gustafson (*Sweden*). — Mr. Chairman, in a very interesting address to the Diplomatic Press Association in Paris on 22nd June this year, the President of the Commission of the EEC, Professor Hallstein, said that an organisation such as the EEC cannot be defined in a monologue, but only in a dialogue. I think that Professor Hallstein is quite right in this respect, as he has indeed proved to be in so many others. Therefore, I think that it is a good custom that the EEC sends its annual reports to the Assembly of the Council of Europe asking for a reply.

When, in my capacity as *Rapporteur*, I presented a draft Resolution in reply to the Fifth General Report of the Commission of the EEC in the Economic Committee of the Council of Europe, a Representative from an EEC country said that the draft Resolution gave too bright a picture of the conditions in the EEC and that I had not been critical enough. Now, I must say in my defence that, when you study the development in the EEC during the year under review it is very difficult to withhold words of praise, as it has indeed been a year of remarkable success.

During that year the common agricultural policy was launched, the internal tariff cuts were further accelerated, and the decisive move to the second stage was taken—to mention only a few of the most important accomplishments.

Of course, in such a huge undertaking as the EEC there cannot be only accelerations; there must also be delays and difficulties. In the fields of energy, transport policy and social policy the Commission has met with difficulties, but I need not go into detail in this respect as these things have been thoroughly discussed in the European Parliamentary Assembly and they were also dealt with in Mr. Edoardo Martino's very interesting report and speech yesterday.

The establishment of the Common Market was accompanied by a remarkable economic expansion within the EEC. Some people jumped to the conclusion that there was a direct relation between the degree of integration and the rate of expansion, and they may have been disappointed when they noticed that in spite of the accelerated integration there was a marked slackening in the rate of growth last year. The gross national product increased in 1961 by 5.5 per cent as compared with about 7 per cent in the preceding year, and the rate may go down further this year. Industrial production increased by 6.5 per cent as compared with 13 per cent in the preceding year. However, the Commission has always pointed out that part of the success has been due to the fact that we have had an international boom and also the fact that there were still reserves of man-power as well as unused capacity. The figure of 5.5 per cent is a very high one and the investments from outside countries which have been pouring into the Common Market during the last few years will undoubtedly help to lay a solid foundation for further progress.

Trade progress has been somewhat slower than in the preceding year and I have especially noticed that the imports from non-member countries increased by only 5 per cent in 1961 as compared with 21 per cent in 1960. A break-down of the figure of 5 per cent shows that the increase has taken place with respect to imports from industrialised countries, whereas imports from the under-developed countries have, in fact, decreased.

This presents us with a very great problem, as we all agree that in the long run the only way to assist the under-developed countries is to offer them export markets for raw materials at stabilised prices as well as for industrial goods.

I trust within the EEC as well as within the international organizations this question will be studied with all possible energy and that a solution will be found that will mean as little overlapping and as little duplication of effort as possible.

I read with considerable interest the part of the report that

deals with the harmonisation of taxation within the EEC. A system of export drawbacks and countervailing charges on imports would, of course, appear rather peculiar once internal tariffs have disappeared.

The economic frontiers of the member countries would still exist, with the difference that instead of a tariff wall you would have a tax wall between the countries. Therefore, the attempts to find a new and simpler system of arranging these adjustments are very interesting indeed.

I also noted that in one of the working parties that have been set up to study the influence of taxes—indirect as well as direct—on the competitive position of enterprises in the Community, the possibility of doing away with these drawbacks and countervailing charges has been mentioned. That would indeed mean that the tax frontiers between the Member States would be abolished.

I shall now leave the Fifth General Report and say a few words regarding the problem of a comprehensive European economic integration. I sincerely hope that the dialogue that began yesterday with the very interesting speeches by the two *Rapporteurs* and by the representatives of the three Commissions will be very frank and at the same time conducted in a positive spirit.

This huge problem cannot be solved if both parties—the EEC members, on the one hand, and those outside on the other —confine themselves to monologues. As a matter of fact, a monologue can resolve a problem only if conducted by one party having absolute power over the other. The Joint Meetings between the European Parliament and the Assembly of the Council of Europe present the best possible opportunity for such a dialogue, and that is the reason why we appreciate these Joint Meetings more and more.

It is quite natural that in such a dialogue the EEC Members voice their fear that an enlargement of the EEC to comprise all

the member countries of the Council of Europe would slow down or interfere with the building up of economic union in Europe, whereas the representatives of the countries outside the EEC constantly knock at the door, pointing out that they also belong to the European family.

In his lucid and penetrating speech yesterday, Professor Hallstein said that the Joint Meetings have always reflected the links that bind all Europeans together, and he further said that since our meeting last year the Europeans gathered here have moved substantially closer to each other. Of course, Professor Hallstein referred to the applications for membership and association. He very rightly stressed the key position that Great Britain holds in this connection. I am not now going to discuss the position of Great Britain, as our British colleagues are much more competent in this matter, but I would like to say a few words about the position of the three neutral countries.

In the three neutral countries—Austria, Sweden and Switzerland—we have noticed with great concern that within the Six there are those who appear to forget that, after all, these countries do belong to Europe. As Mr. Margue rightly pointed out in his excellent report and in his speech yesterday, they are prepared to grant the status of association to the African States which are linked with the EEC in a system of co-operation which has no political obligations of any kind. However, when the three European neutral countries apply for association under Article 238 solely for the reason that the Governments deem it impossible to combine their policy of neutrality with full membership, they hear voices within the EEC saying that Article 238 is not applicable to highly industrialised countries and that the three countries in question will have to be content with some loose trade agreements offered by Article 113. That would mean that the neutral countries would not come inside the common tariff wall and that in principle they would be placed on the same footing as any distant non-European countries in Asia and America.

When one listens to some of the arguments brought forward, one almost gets the impression that the three neutral countries

are asking to be placed on the map of Europe or that they are asking to be allowed to start a co-operation with the European countries in the economic field. But we heve been in Europe for centuries and we have not hesitated to take part in economic co-operation in Europe.

As the Swedish Minister of Commerce, Gunnar Lange, said in his opening statement in Brussels, the Swedish economy is indeed already integrated with that of Europe to such an extent that a reversal of the pattern could not escape having very serious consequences.

The consequences would be serious not only for the three countries in question but for Europe as a whole. I think I need not dwell on the dangers inherent in cutting off these countries from Europe.

Now, in spite of that, I am optimistic. I am convinced that, as a result of our frank and friendly dialogue, there will be found a way to overcome the difficulties. I am the more optimistic as I can recall the words of Professor Hallstein in this Hall a year ago, when he said that "there is a variety of legitimate reasons why a non-member country may feel unable to fulfil the necessarily exacting, strict and not very flexible requirements of full adherence under Article 237. That is why the Treaty provides for association as a second, less rigid method for joining in our work. Association is more than just a commercial treaty or a mere bilateral arrangement. Though it leaves the associated country its complete political independence, it nevertheless provides an opening for a structural link with us."

Professor Hallstein said further on: "There is no justification for dismissing association as being inferior to full membership. It has equal value as an instrument of European unification."

I said last year in the similar debate that was held, and I wish to repeat now, that, as I understand Professor Hallstein, 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.

The policy of neutrality as regards the three European neutral countries is not a policy of neutralism. It is not synonymous with isolation or disengagement. We share the feeling of solidarity which has inspired European co-operation and we wish to contribute to the full extent of our capacity to the economic strengthening of Europe.

The Chairman. — I now call Sir Anthony Esmonde.

Sir Anthony Esmonde (*Ireland*). — Yesterday, Mr. Margue very ably expressed the views of the Council of Europe from the political angle and on behalf of the Political Committee in reference to the very comprehensive and erudite report which we had yesterday from Mr. Martino. I should like to say a few words and to direct all my remarks to the subject of agriculture. Agriculture is a subject that was not very actively considered some years ago, but everybody is now beginning to realise how important it is. In fact, if the agricultural problems were solved, not only here in Europe and within the nations themselves, but in the world as a whole, we would have a much more stable situation facing us today.

Our policy in the Committee of Agriculture of the Council of Europe has always been directed towards the achievement of a common policy within the member States. We believe that without this common policy the present difficulties and uncertainties that persist in Europe for farmers and farm workers will continue unchecked. It is for that reason that we welcome the measure of agreement that has been reached so far within the Six. We further welcome the fact that this policy is intended to be outward-looking. The ultimate aim of this policy is, I think, to embrace North America and, eventually, to become world-wide. This is the only way to ensure agricultural stability and to remove the under-nourishment and hunger which persist to

an alarming degree in many parts of the world. Europe cannot solve her own particular problems at the expense of the rest of the world. That is a subject on which we ought to think often. A free partnership between the old and the new world to secure a decent standard of nourishment for all peoples must be our ultimate aim.

The vital part that agriculture must play is evidenced by the following factors. (1) The overall world shortage of food with increasing populations everywhere. (2) Unequal production costs in all member States, due in great measure to wide divergence of policy, different methods of support, whether by subsidies, quota restrictions, deficiency payments or other adventitious methods. This leads, as it has done, to inequality of prices, by which markets fluctuate from day to day. These prices are not in the main a true reflection of world prices. Therein lies the great difficulty.

The third factor is that the realisation must come that those who live on the land have offered by their love of freedom and all that it implies the greatest resistance to dictatorships and to Communist imperialism in all countries at all stages of world development. That is very much evidenced in East Germany, where the Soviet regime ruthlessly threw out the farmers who had worked the farms there for hundreds of years. Whereas that part of Germany was formerly able to feed the nation, it cannot feed itself now. This proves that recognition of the farmers' love of liberty and freedom of action is the only way to get good and true production from them.

The EEC agricultural policy, as far as it goes, appears to me to be the first step to try to offset the inequalities which I have mentioned. It should equate prices and, at the same time, ensure that undue hardship will not accrue in the interim period. A policy that prices should be supported is most necessary. This policy, when further extended to other European countries, will enable North America and Europe, in both of which areas agricultural surpluses exist, to work in unison to further the Freedom from Hunger Campaign and the Surplus Food Utilisation Plan

of the FAO arm of the United Nations. These plans are now before us. There is a tremendous amount of work to be done beforehand to make them effective and to implement them. I think that they are on the right road and will go a long way towards alleviating the unhappy state of affairs that exists in so many parts of the world. The EEC plan should also greatly benefit the associated industries concerned with agriculture, such as food processing and agricultural and fertiliser factories.

United Kingdom agriculture, although at present largely supported by the Treasury—I think to the tune of about £340 million a year but I stand subject to correction if that is not the right figure; in spite of its deficiency payments and other reliefs it has reached a very high measure of efficiency—should be able to maintain itself within the EEC if Britain sees her ways to becoming a member of such a Community. I am inclined to the view that she is nearly in the Community without knowing it herself. She is half-way in, anyway. She might find herself in at any time now. I hope she will.

My own country, Ireland, sends the greater part of her exportable agricultural surplus to the United Kingdom. In other words, we have nearly all our eggs in one basket. I do not know whether that is a really wise policy. Being an agricultural country, we have in recent years suffered greatly from fluctuations in price. We have had competition from heavy imports into the United Kingdom, our principal customer, of South American chilled beef. This has had adverse effects upon our markets from time to time.

We farmers in Ireland notice that when there is a big shipment of beef from South America, we always find it rather difficult to sell our cattle when we go to the fair afterwards. Stabilisation of world policy would offset difficulties such as that. We have had also to expend large sums of money on the eradication of bovine tuberculosis—which, I am happy to say, is now nearly completed—within my country.

Ours is a mainly agricultural economy. We are not rich

industrially like some of the neighbouring States and we do not have the wherewithal and finances at our disposal to aid our farmers. For these reasons, our agricultural economy is facing increasing difficulties. We in Ireland would welcome a stabilised, managed market within the framework of a united Europe in which, we hope, will be included the markets of the United Kingdom. The ultimate extension of this market to cover world-wide agreements should be of benefit to us in Ireland, as to other member States. We could compete favourably for exports of beef and blood-stock.

The other day, when a horse trained in England won the St. Leger and beat the Italian and French challengers as well as those from other countries, it was hailed as a British victory. I would like to tell you all here that the horse was bred in Ireland.

We can compete favourably with horticulture and the processing of agricultural raw materials. The prices at present obtaining in Ireland for coarse grain and feeding-stuffs, principally barley, are less than in the other member States. We have much to gain from a unified agricultural policy and we are not alone in that. I think that every country, no matter what its particular policy or economy may be, or whatever its agricultural structure, will benefit from the unified policy. We feel that we should work for that; it should be our aim and direction to achieve that policy.

Basically, the EEC agriculture plan for Europe is what we have advocated in a certain measure for some time in the Council of Europe. We welcome it as the commencement of a greater effort for world-wide agricultural and rural stability. The free circulation of food, readily marketable, will be one of the major forces for political stability not only for the member States of Europe, but throughout the whole world. The stability of agriculture could make a greater contribution to a contented and free world. It could do more to defeat the attempts of Communism to dominate this earth of ours than anything else.

I wish the EEC luck with its agricultural policy. I hope that it will be able to extend the policy to all the commodities con-

cerned. As I said before, I hope that it will be possible for the United Kingdom to enter within the framework of the European economy and that, small as it is, my own country will be able to play a vital part in Europe in the days ahead.

The Chairman. — I call Mr. Abdesselam.

Mr. Abdesselam (*F*) (Translation). — Mr. Chairman, in the absence of Mr. Kershaw, who was to have presented the report in reply to the Second General Report of the High Authority of the European Coal and Steel Community, I should like to say a few words on behalf of the Economic Committee of the Consultative Assembly of the Council of Europe, since the demands of the Agenda prevented the Assembly from adopting the report.

The Economic Committee carefully studied the High Authority's Report and adopted a draft Resolution unanimously. May I say to Mr. Malvestiti that the members of the Committee expressed broad approval of his excellent Report? Like him, they welcomed the United Kingdom's application for membership of the European Coal and Steel Community; like him, they welcomed what such an accession would represent from the point of view of the volume of European production.

The Resolution also approved all the conclusions of the High Authority's Report. The members of the Committee, however, considered it imperative—and they laid stress on this point—that when the High Authority sets its general objectives for coal, it should bear in mind the question of working out a long-term overall ("co-ordinated" says the text) European energy policy and that "special attention should be paid to the danger of importing hard and liquid fuels from Eastern European countries."

Lastly, the Economic Committee was of the opinion that a common market embracing all energy sources should be gradually instituted, and expressed its conviction that a closer co-ordination of energy policies was of great importance.

I should like for a moment to draw the attention of the members of the High Authority to the fact that the Economic Committee was instructed, by an Order dated 1960, to investigate these European energy problems. The work involved seemed to the Committee so considerable that it appointed a Sub-Committee to deal specially with this matter.

The Sub-Committee, over which I have the honour to preside, has held many meetings and carried out all sorts of investigations. It has visited Lacq and Italy. It will be presenting a draft Recommendation at the next session of the Consultative Assembly. I would simply draw the attention of Mr. Malvestiti and the members of the High Authority to two or three special points concerning coal.

The Sub-Committee recommended that member Governments should bear a number of proposals in mind when defining and implementing their energy policies. In particular, it took the view that a stable and prosperous coal industry in Europe could only be conceived on the basis of a systematic yet orderly reduction over the next decade in the overall current level of coal production. It would be utterly irresponsible, and could have disastrous social consequences, if European countries where such production was high forthwith permitted unrestricted competition between national coal, for example, and imported coal or oil.

That is why the draft Recommendation states that if the stability and prosperity of Western Europe's coal industry is to be achieved by means of the reduction of which I spoke a moment ago, there must be continued interim protection of the coal industry and an energy policy providing for the compensation, re-training and resettlement of miners who are displaced as a result of reorganisation.

Lastly, the view is expressed in the draft Recommendation that, as far as coal is concerned, the necessary interim protection must be increasingly afforded by means of direct and indirect subsidies enabling the price of European coal to be reduced,

rather than by measures such as the taxing of oil or the imposing of customs duties and quota restrictions on imported coal which generally speaking would lead to an increase in the cost of energy.

Such are my comments on behalf of the Economic Committee; and may I, in conclusion, observe to the members of the High Authority that the parliamentarians of the Consultative Assembly are just as much interested in these questions as are the members of the European Parliament?

The Chairman. — I call Mr. Brown.

Mr. George Brown (*United Kingdom*). — The first and obvious duty of anyone speaking in this debate, after having heard the reports and the speeches of members of the Commission and of the EEC, in particular, yesterday, is to compliment the EEC members and the Commission on the success—to me, the quite surprising success—which they have achieved and the great strides which they have made. The figures which were given to us yesterday by Professor Hallstein spoke for themselves. In the light of that, I can well understand the very proper pride and the inevitable reluctance to face any possible disturbance—what was, I think, called going backward yesterday—in view of the achievements which they have accomplished. Nevertheless, there are many—I speak as one of them—who think it would be much better if the Community were now enlarged.

By "better" I do not mean it is necessarily the only course. There are alternatives. The word "better" implies that this seems to me and to many of us the wiser course to pursue. By "better" I do not mean necessarily better only for Britain. I mean that I think it would be better for Europe, and for the free world outside, if we were to enlarge the Community and if we can, in fact, make Europe one.

There are a number of arguments in support of this, but this morning I will mention only four. The first is the effect which a divided Europe, if it continues, would have in the much wider political concept of the world.

The second is the consequence of a trade war developing between two institutions, two groupings, particularly in Europe; and it is quite clear that if we do not solve the problem of enlarging the Community we cannot stand as we are. There would be a development of that kind and the consequence would, I think, be harmful in a variety of ways.

The third reason why I think it better is the much greater scope a united and enlarged Europe would provide for the development of world trade, for the development of European trade, and for the improved contribution which we could make to the living standards of vast numbers of people elsewhere in the world.

The fourth reason is the greater opportunities which would be afforded to us in Europe to take up the possibilities envisaged in the recent American initiative, not only in the speech of the President in July, but in recent developments, under the new Administration, in American thinking on trade problems and in particular on the liberalisation of them.

These are some of the reasons why I conclude that it would be better now to enlarge the Community. I am sure that this view is shared by Dr. Hallstein, by the Commission, and by at any rate most of the Governments of the Six, and I welcome particularly here the tone not only of Dr. Hallstein's speech yesterday but also the tone and understanding shown in the report which Mr. Pflimlin has presented to us as *Rapporteur* for the Committee.

But I am bound to say that I sometimes get worried by some of the language employed. It makes me wonder whether we always understand fully the implications of these things. There is still a good deal of emphasis on "take the report as it is," if I may use a phrase to sum up a whole variety of contributions here. There is still a good deal of emphasis on not changing anything in the Treaty of Rome. I do not think it unfair to remind the Assembly what the Treaty is.

One of my colleagues, speaking in England, described the Treaty as four pages of principles and 400 pages of exceptions. Whether that is exaggerated I would not know, but there is an element of truth in it. One of the Foreign Ministers of the Six, not so long ago, when we were discussing with him whether we could solve a particular problem within the Treaty, held it up—it is rather a substantial document—and said that it was like another book of this size; one could find in it almost anything one liked if one looked closely enough.

That is not altogether surprising, because bringing the Six together was a substantial operation, and the position of those who now seek to join or associate is not markedly different from the position of those who came together at the beginning. It is not a question of taking the Treaty as it is. It is not a question of not going back on the Treaty. It is very much a question of finding some extra pages of exceptions or provisions for us. If 400 pages could be found for the Six, it would not require very much addition to take care of the rest.

There seems to me to be no good or valid reason why the special problems of those who now seek to join should not be specifically dealt with and substantially provided for before we actually take the decision to join, just as they were specifically provided for before the Treaty came into force in the first phase. That is what happened then, and I see no reason why it should not happen now—no reason why we should leave to a later date the solution of or provision for these special difficulties.

I appreciate very much the spirit of the references made yesterday to the special concerns of Great Britain and of our Commonwealth. At the risk of over-emphasis, may I again lay stress upon the tremendous value and importance of the Commonwealth of Nations—it is no longer the British Commonwealth. It is not just "the largest preference area in the world." It is something very much greater, something quite unique, as a multi-racial, free association of nations. It is a unique bridge of very special importance and significance in the world at this moment, and if we were in any way to break it up, or push

people away from it, it would not be Great Britain or even the Commonwealth itself alone which would suffer. We would be weakening something for which there is no replacement in the world. It is tremendously important, therefore, for all of us —not just the parties to the negotiations—to see that we do not achieve the unhappy result of breaking the Commonwealth down.

I will give one case where this can be shown, although there are many others. When one remembers the tremendous significance of the Indian democratic experiment and sets it side by side with that other tremendous development in Asia, in China, and realises the tremendous importance to the world of the Indian experiment and that it should succeed, then one sees how vital the maintenance of the Commonwealth association is.

Of course, the success of these things is not only a matter of politics or of outlook. It is very largely a matter of economics, of help from elsewhere, from the richer and more developed countries. That is why I feel that words, no matter how sympathetic or understanding, and vague assurances about future consultations if things do not turn out well over the next few years, are simply not enough. That is why a large part of Britain, certainly the part for which we in the Labour Party feel we can speak, cannot understand why arrangements, provisions, or specific proposals cannot be made at this stage rather than be left for later on.

I would like again to ask all our colleagues in the Community to approach this on the basis of setting now what has to be settled. They say that they will do certain things at some stage in the future. We are sure that they mean that. But then I think we are entitled, in that certainty, to say to them, "Let us establish those things now. If they can be done in the future there seems no valid reason why we should not establish them at this stage."

I feel sure that it will be better for our European future, better for the Commonwealth countries' attitude—the attitude of both their Governments and their peoples—and better for the

free world if we take time to do these things now rather than leave the matter vague and unestablished, with perhaps too much expectation in some people's minds, perhaps some misunderstandings arising from vagueness, and then an inevitable feeling of let-down or frustration later on.

I feel that there are tremendous dangers involved in too much hurry about this matter. I understand the impatience of those who say, "It is all very well to talk of delay but the longer the delay the more chance perhaps that we may never arrive at the bridge at all." But there is greater reason to be afraid of undue hurry now leading to subsequent strains and conflicts than there is to be afraid of taking a little longer over the negotiations at this point.

What is it that is still outstanding? Here I would like to get clear what still seem to me to be misleading references to what has been settled. I felt that the White Paper issued in August in our own country used the terms "agreed" or "settled" rather loosely, and I think that Professor Hallstein's balance-sheet which he drew up yesterday erred in the same direction. Things are described as settled when in fact every single detail, it seems to me, is still left to be settled.

I will not quote what Professor Hallstein said, but he gave a whole list of things dealing with temperate food-stuffs and so on which seem to be not specific at this moment. Those of us who join the Community—not only Britain and the Commonwealth in particular—will be taking very specific action when we take the decision, and it seems reasonable that we should ask that those with whom we are negotiating should be at least as specific about the arrangements that they are making for us.

Surely, the best solution for many of the trade problems outstanding would be the negotiation of world-wide commodity agreements. To that, my party in particular is very specially wedded. Indeed, we have a history in this matter and very much want to see such wider arrangements made. It would not only make it easier for the Community and for our entry, but in itself

it is intrinsically better. But there are some problems outstanding, if that proves either difficult to achieve or takes a long time to achieve, and I want to refer to three or four of those problems today while not attempting to be all-embracing.

One of the first, of course, is the question of some forms of temperate food-stuffs, bringing particularly to our attention the case of New Zealand. Everybody says that this is a special case. Professor Hallstein said it again yesterday. Everybody says that one must take special steps to protect and look after the interest of the people of New Zealand. We are not all clear, however —indeed, far from it—what special steps it is envisaged to take.

The position of New Zealand and her people is far too involved in this matter for them to be expected happily to accept a vague assurance that something will be done at some stage. This obviously turns to a large extent on the European food price policy. We have to know what that will be. We really ought to know what kind of bilateral arrangements the Commission feels could be made to take care of New Zealand's special problems if, in fact, the world agreements do not either solve her problem or come in time.

A second example is that of the Asian countries. This is not only a question of providing for the continued outlet for Asian manufactures—and, of course, the zero tariff on tea is no answer whatever to the real problem that worries India and the other Asian countries: that is, the question of their labour-intensive manufactures.

Let us face this. Europe's record as a whole for taking these manufactures from those countries has not been all that good. Britain has carried more than her fair share in enabling these Asian countries to export and to develop and build. Indeed, we have done it at some considerable cost to an important industry in our own country. In addition, we have to be sure that this problem, not only of taking their manufactures, but of allowing for growth and development in the level of their exports, is taken over in the new arrangements that are made.

It is no use here saying, "Well, something will be done in 1966." If we were to halt the intake of these manufactures, there would be an absolute crisis, possibly even a catastrophic collapse, in India and elsewhere long before 1966 is reached. Certainly, the current five-year plan would not be able to go on unless there were a rise in the level of their exports.

This again, therefore, is not a special British problem. It is not even a special Indian, Pakistani of Hong Kong problem. This is a problem of tremendous and binding interest to the free world and to the part of it about which we are talking—Europe—because the whole democratic experiment in Asia depends on the fulfilment of their development plans, the raising of their standards, the raising of investments there, and so on. Any halting of that, let alone a collapse of it, would have tremendous consequences for the free world and for Europe. Therefore, we say, let us here make the firm arrangements now. It would be far better—I am sure we will do it—to do it now, again to avoid a feeling in those areas that we are more concerned with our own personal, national arrangements than we are with their reasonable and legitimate claims over there.

There is, of course, a third area. There are the African and the Caribbean members of the Commonwealth. I know it is said that associated overseas status is available to them, but we cannot dictate to others. We may well think that there is no reason why they should not accept it. We may well feel that this is not a case of colonialism under another name. It is not, however, a question of how we feel. The issue is whether they feel that way. This is their free decision. There may well be some of them who will reject it for political reasons, good, bad or indifferent.

If they choose to reject it, which they have a perfect right to do, how are we to offer them a continuing outlet for their products here? By what mechanism do we intend to do it? It seems to me that we have not at all yet covered this issue in any way or shape. It is tremendously important that this, again, should be clear to those countries before we take a binding decision here.

Among the other vital problems is the question of sugar. There is the Commonwealth Sugar Agreement. What is it proposed shall take its place? How does one marry one with the other in terms of time? This, as far as I understand, has not yet even been discussed. Certainly, it has not been settled. It seems to us impossible to be regarded as unreasonable if we say that this kind of thing needs to be covered before the binding decisions are taken.

I refer to only one other group—I do so because I get a wee bit worried about it—and that is the case of the other members of EFTA besides ourselves, but I think now particularly of the neutral members of EFTA. I sometimes get the impression that there are people who still confuse what we call neutralism when looking at the world generally with the neutrality of these three members of EFTA. There is, it seems to me, quite properly a distinction to be drawn. One ought not to allow an objection to neutralism as argued by statesmen elsewhere to colour our approach to the position of the neutral members of EFTA and their future association with the Community in a form that is satisfactory and acceptable to them and to the rest of us. It seems to me impossible that we should proceed to binding decisions here until we have grasped and settled this problem of the association of the neutral countries. Sometimes I feel that we overlook the nature of the commitment that every member of EFTA has made to each of the other members. Perhaps it is worth recalling what was stated in June, 1961, namely "that members of EFTA should co-ordinate their actions and remain united thoughout the negotiations and that EFTA should be maintained at least until satisfactory arrangements have been worked out in negotations to meet the various legitimate interests of all the members and thus enable them to participate from the same date in an integrated European market."

It seems to me that sometimes this question is discussed as though that commitment had not been made. I am sure that it would be a very poor beginning to the adoption by any of us of new commitments if it were based on a unilateral rejection of an existing commitment. No one would have very much faith in our

future actions if we did that and, therefore, I feel it not unreasonable to say—this, again, is part of the overall plan which has to be made to enable us to join and to enlarge the European Community—that this is all part of the terms on which the decision has to be made and cannot very easily be dealt with merely by assurances that in some way or other, at some stage or other, something will be worked out.

The views of my party, quite clearly, are these. They begin, as I say, from the view that it would be better to enlarge the Community now. But all these problems must be settled, and be seen to be settled, to enable us to do so.

This is an historic moment not only for us in Europe, not only for Britain, but for a wide area of the world. There will be no harm if we take time over the making of the arrangements and if we delay for a little longer in order to reach firm agreements and understandings. There will, on the contrary, be the risk of much harm if we so hurry over the decision at this stage, or if we so force the issue at this stage, that this problem is unsettled.

I do not believe that this will in any way damage the prospects of final agreement. If these problems are settled and no new political barriers are raised in the interim, I feel that it will be far easier for a final favourable decision to be taken.

At the end of his speech yesterday Professor Hallstein reminded us that we are the representatives of the public. It is our duty and function to explain the work of the Commission and what is happening. In that respect we have a special task in Britain at this stage and at such an historic moment. It is, therefore, tremendously important that those handling the negotiations should make it possible for the public representatives to do their job of explaining and to see to it that we are able to answer appropriate questions when they are asked.

Those are the particular reasons why I am anxious that we should solve as many of these problems as possible; certainly all

the highly important decisions. If and when the decision is taken by my country and other countries not at present in the Community, to join it, I would prefer that there should be no subsequent looking back and no sense of resentment. I should prefer that it did not become the subject of internal political warfare. In order that that may not happen, it is very important that we study this calmly and deliberately even though decisions may have to be taken a little later. In our view, the whole thing is much too big for manoeuvring whether on the European stage or on the home political stage. The issue is much too vital to be taken on purely a short-term view. It is much too final to be taken on the basis of vagueness, of unsettlement, and assurances which are not firm.

In this, our purpose is not limited to the unity or the cause of Europe, and it should not be so limited. The criterion should not be limited to the cause of Europe. That is important. But surely our vision must be very much wider than that. Our need is to unite ourselves, to strengthen ourselves, in order that we may play a much greater role and a much more definitive role in the development of the free world and on the world political stage. That is the vision required of us and that is the ultimate criterion by which we should judge this matter as well as the more limited one of our own unity and strength. This is what we mean by being outward-looking. This is why we say that there must be more than words in order to prove that we are outward-looking. We must be seen to be acting in a fashion which is outward-looking and to be taking account of the problems of people elsewhere.

It is in the provisions that we shall make and the agreements that we shall work out in order to take care of the problems of Commonwealth countries, and above all of the developing territories in Asia, Africa and the Caribbean, that we shall show that we are outward-looking. It is upon the manner in which we deal with those things that we shall be judged. I speak as a Socialist, but I think that this view will be shared by many others. We cannot have a different approach to the question of the rich growing richer and the poor either growing poorer or remaining poor

when it refers to nations from that which we adopt when referring to individuals. The world at present is one in which the rich are growing richer, and, at the very best, the poor are having a tremendous struggle; to a great extent the poor are actually growing poorer. If we are not careful and determined, we can, without wishing to, in fact contribute to that present unhappy trend.

Wherever we stand in this argument, it seems to me that, whether we are negotiating in Brussels, or London or anywhere else, we must be quite sure that we fulfil our mission to help the poor and to show that because, perhaps, we are rich and strong and hope to become richer and stronger, we intend to do more and not less than we have already done in that respect.

This is the approach of my party. This is our view about the matter. We would like to see not only the enlargement of the European Economic Community but, as I said at the beginning, many of the problems settled in a much wider setting. Many suggestions are being made at present about the formation of conferences and consultations on a much wider scale and we would like to see all that happen. But I am bound to say that we consider we are being reasonable, helpful and encouraging in urging on those who are parties to the present negotiations to let us have much firmer and more specific proposals to solve the problems than, for the most part, we have yet seen.

The Chairman. — I call Mr. Toncic.

Mr. Toncic (*Austria*) (*G*) (Translation). — Mr. Chairman, I can still remember the time—not so long ago—when the Political Committee of the Council of Europe was considering the question whether its political reports should be limited to Europe or whether they should also take in non-European areas. What considerable progress we must have made since then for this question to seem so out-of-date! Nowadays, it is quite impossible to write a report on European integration without taking into consideration non-European countries, in other words, without giving such a report a world-wide character. The

most striking phenomenon of the present century is undoubtedly the integration of Europe notwithstanding the prophecies of Oswald Spengler and his friends.

In his statement, yesterday, Dr. Hallstein spoke of the problems facing the Soviet Union as a result of this development. A sober analysis of the situation cannot but lead to the conclusion that in recent years the foreign policy of the Soviet Union has suffered three major setbacks. The first and—as far as the solidity of the Eastern *bloc* is concerned—perhaps the most significant of these setbacks is the fact that today, after forty years of experiments, the Soviet Union has still not succeeded in solving the agricultural crises in the Communist countries, though these are countries which from the agricultural point of view would be among the most prosperous countries in the world if they practised a normal economic system. Before they became Communist, these countries, particularly those in the Danube area, were exporters of agricultural produce. To-day, despite ceaseless experimenting and improvising, they have still not succeeded in meeting the primary needs of their peoples in the agricultural sector. While we in the West are bedevilled by the problems of surplus production, these countries are still unable to do away with shopping queues. And the agricultural crisis in Communist countries may yet reach a critical point in the future.

The second defeat suffered by Communism is that it has been unable to develop "Comecon" as a counter-weight to European integration. This is a subject on which the West has somewhat erroneous ideas. It has always been assumed that the Comecon system is similar to our own European integration process. Yet if we take a closer look at this organisation it will be clearly seen that Comecon has in fact never got anywhere near what European integration in its various forms has closely approached.

In the first place, Comecon has never been a payments union and it has never provided for anything approaching the European monetary agreement. On the contrary it practises very strict

control of foreign currency. Transfers of currency are scarcely possible and there is no sign of anything approaching monetary agreements. Not even the politically highly bolstered rouble is accepted by the Comecon countries as a currency of account. There are no common tariffs. The normal trade relations between those countries are greatly inflated by propaganda, and there is no question of a common trade policy.

For instance, the movement of man-power which is so characteristic of the EEC countries simply does not exist in the East. Although certain countries such as Bulgaria have a man-power surplus, this surplus cannot be used by the other Communist countries, a situation highly detrimental to the economy of this so-called common economic area.

For these economic reasons—and this brings me to another sector—there is no co-operation between the universities of those countries. Thus Poland, which is among the most liberal of the Communist countries, had no more than 121,000 persons enjoying higher education in 1960. Of these, only 751 were foreigners, and of the latter number only 450 were from the other Communist countries. It is obvious therefore that co-operation in this field, as commonly practised by the countries participating in European integration, is far from having been achieved in the East. To take another example, that of tourism in Poland, it should be noted that out of 30 million Poles only 200,000 travelled abroad last year. In the case of the other "satellite" countries, this question does not even arise. A typical phenomenon in this connection is the several hours waiting at the frontiers between the Eastern countries, which, it should be noted, are separated by barbed wire and watch towers. Military patrols along the inner borders of the Warsaw Pact States!

The last Comecon conference rightly came to the conclusion that the Comecon system has not fulfilled the high hopes placed in it, but has been a complete failure.

The third defeat suffered by Soviet policy in the last few years is that it has failed in its efforts to create a split in Free

Europe. Indeed, the battle was already lost when Franco-German antagonism came to an end. This was the most important factor in the growth of European unity. Even in the subsequent stages of this integration, the Soviet Union's hopes, to which it had also given some practical support, remained unfulfilled. The EEC and the United Kingdom *will* come to an arrangement—and an arrangement *will* also be reached between the EEC and the Neutrals.

When this happens, European integration will rest on secure foundations, and the further intensification of the Community's development will follow automatically.

New, I should like to say a few words about the Neutrals. In the last few years there has been a considerable increase in the information available on this problem. By this I mean not only discussions, but facts, and the facts have not been to everyone's liking. I can imagine that for many of my colleagues the problem of the Neutrals has become a kind of nightmare. Still it must be said that the more information available on this question the better.

However, better knowledge and realisation of the actual problems involved has also brought on increase in the fear of the risks involved in an expansion of the EEC. To take only two examples, there is the problem of exceptions and that of reservations.

Yet what are politics but applied psychology? Here there are two important things to remember. First the Neutrals must never get to feel that the EEC, faced with the problem of an enlarged European integration, is withdrawing into its shell and would rather bask in the domestic warmth of the Six. In other words, the Neutrals must not be given the impression that the European Economic Community is so afraid of the problems that growth may bring in its wake that it is giving up any idea of further growth.

Secondly, the countries of the European Economic Community and the EEC should by now be convinced that the problems set by the Neutrals will not hamper further integration.

Dr. Hallstein spoke yesterday of the spirit in which this whole question should be handled. The attitude of the Neutrals is reflected in the fervent wish that the very discussion of these problems and the efforts made to achieve integration shall also serve to strengthen the European Economic Community. There is absolutely no desire on their part to create unnecessary difficulties. On the contrary, they wish further to strengthen the process of European integration.

Mr. George Brown has spoken of the dangers of a policy resulting in a weakening or even destruction of the Commonwealth. This gives me an opportunity of referring to a remark which can be heard here and there, namely that if the Neutrals were willing to give up their neutrality, the problem would disappear of itself.

I should like to utter a serious word of warning against this argument. It cannot be accepted as policy for, if it were, the peoples of the neutral European States would find themselves in a dangerous situation which would constitute an unnecessary burden for the other European countries. In fact, I believe that the European Economic Community would be unable to cope with the political problems that would result from the adoption of such a policy.

I should like to end my remarks on the problem of the Neutrals by saying that the efforts of these Neutrals in the past and in the present have been and are directed at achieving overall European integration. We must not weaken in our resolve to overcome the present difficulties and must keep our common major goal constantly before our eyes.

In conclusion, I should like to deal with a point mentioned in the reports yesterday and also in today's debate, namely the situation in the overseas countries. Undoubtedly, here also many of the hopes of Soviet foreign policy have remained unfulfilled, but the conflict is not yet over. In the Arab countries and in Africa, the Soviet Union has not so far scored any notable suc-

cesses. But the centre of the conflict has now shifted to South-east Asia and Latin America. The struggle will be won by the West only if the United States of America and Europe succeed in working out a common policy *vis-à-vis* the uncommitted countries. Only then will the designs of Soviet foreign policy be thwarted.

Can it be said then that Khrushchev's claim that the economic struggle is likely to make the world ripe for Communism has been proved wrong? This is not yet certain, though probably any such theory has now gone by the board. If so, however, it is to be expected that in the next few years the Soviet Union will gradually lose interests in disarmament and, consequently, revert to the old Communist arguments which at the present time are more the prerogative of Chinese foreign policy.

Europe must stand firm but it will not master this situation until the process of integration is well advanced and Atlantic co-operation has been achieved between Europe, on the one hand, and the United States and Canada, on the other. (*Applause.*)

The Chairman. — I call Mr. Armengaud.

Mr. Armengaud (*France*) (*F*) (Translation). — Mr. Chairman, Ladies and Gentlemen, I apologise if I have to introduce into the discussion a somewhat less pleasant note than underlay the very agreeable, soothing and optimistic words spoken yesterday by Dr. Hallstein.

At the present stage of the negotiations between the Europe of the Six and the United Kingdom, at the present stage of the negotiations between six-Power Europe and the countries concerned in those negotiations, at a moment when very serious problems arise concerning the association, in one form or another, with this Europe, of the Commonwealth countries following Britain's accession, we should not rest content with expressing satisfaction at the distance already covered. We must go further; self-satisfaction must give place to some degree of self-criticism.

If I am fond of *Candide* it is certainly not because he said: *"Que de grâce, que de splendeur! Que Monseigneur doit être content de lui-même!"* We can certainly view the road travelled by us with serenity, but we must also consider what we still have to do and why we have not done better.

To be sure, Dr. Hallstein was right to recall that the European Economic Community had successfully passed through many phases and had done so more rapidly than had been predicted: a large measure of freedom of movement for men and capital; a 50 per cent reduction in customs tariffs within the Europe of the Six; the setting up of a Social Fund; an increase in the resources of the Assistance and Development Fund on behalf of overseas countries; the establishment of rules governing associations or, to use a more precise term, anti-trust rules; the birth of a common agricultural policy; freedom of establishment and of provision of services; and, lastly, on the political plane, an appeal from the United States for a partnership, the recent change in attitude of the Soviet Union—and, of course, above all, the United Kingdom's wish to join the Community.

All this is very important, and we must sincerely congratulate the leaders of the Community for having made the task easier for the Ministers of the six countries, thus clearing the way for the achievements I have mentioned and our hopes for the future. But behind these results we must nevertheless look at the canvas as a whole, in the perspective of reality. We must become more aware of the great difficulties facing us, particularly, as Mr. Brown said a moment ago, in regard to the detailed measures required. It is all very well to establish broad principles, but the details also have to be settled.

Let us take, for example, in the agricultural field, the system of levies whose significance or object is, in fact, a certain measure of Community preference.

So long as there are no precise, planned purchasing commitments on the part of the importing countries towards the producing countries of the European Community, and so long

as some countries have a tendency, because of trade agreements or perhaps for more mercenary reasons, to buy from third countries even if prices are comparable—subject, of course, to quotas being established for countries outside the Community, such as certain Commonwealth countries—the levy can only be a stage towards a common policy, and it may well be most difficult to implement.

One may ask, in particular, whether it would not be very easy to get round it. An item recently appeared in a document published by the German Federation of Associations of Agricultural Producers alleging that certain Dutch exporters and German importers have decided when making out invoices for eggs not to put down the real price so as to be able to share a levy, or at least a part of it, which would normally go to the European Fund. This would virtually amount to diverting quasi public funds to certain private interests. It may therefore be asked whether there is not a certain tendency to create artificial movements in order to falsify the prices quoted. The weak point of the system is that it undoubtedly encourages the establishment of prices which everyone knows to have been fixed by consultation or mutual agreement.

Is the system, then, easily applicable? May it not in reality be an over-facile extension of a device which proved its worth in the Netherlands because they were fundamentally a country which imported agricultural produce?

I believe that, on this point, the Commission will have to be fairly severe to prevent the levy system from leading to such misappropriations as those to which I referred.

One may also ask whether in the long run, unless the Commission is especially vigilant, the ultimate reply will not be the institution, for trade in agricultural produce, of a virtual State-trading system. The question has been raised, and it must not be ignored.

If we now turn to the question of investments we note—this

is an old story which Mr. Coppé will recall better than anyone—that we have no real control over them, in spite of a Resolution adopted by the ECSC Assembly in 1957 on the basis of a report by Mr. François de Menthon advocating the co-ordination of investments. Unfortunately, since then there has been no change in the position.

Thus, particularly in the steel industry, as Mr. Kapteyn says in his report on ECSC, a trend towards excessive investment in the manufacture of flat products may be discerned. We also note an excessive establishment of steel plants in coastal regions and an absence of consideration for the fate of steel enterprises in the interior of member countries whose capital has nevertheless been provided in part with the help of joint resources.

Then there is the development of rival oil pipe-lines leading from the Mediterranean and the North Sea towards the centre of six-Power Europe at a time when in the East we see a new pipe-line being laid in the direction of Bavaria.

We note an increase in the capacity of refineries, especially when we look at all the projects announced for the years 1965 to 1970.

As for the co-ordination of energy, it has remained in limbo —in spite of the recommendations of the committee presided over by Mr. Burgbacher.

I would refer you, incidentally, and this is another example, to the growing chaos of investments in the motor industry. The report by one of our French colleagues, Mr. Léon de Rosen, a member of the Economic Council, demonstrates the grave risks which this industry could be made to run through relentless competition encouraged by immense investments within an economic area due to reach super-saturation in the near future.

Lastly, I would point to the dispersion in Europe of the investments of certain third countries, particularly the United States, not to speak of a total withdrawal of investments—such as happened in the Remington Rand case in France.

All this leads me to believe that in the field of investments neither the States nor the Commission have sufficient control to prevent abuses or excesses, which have so far escaped our attention because we have been living through a period of steady expansion. Is it not possible that at the slightest sign of even a limited recession we should again find ourselves confronted with a certain nationalistic tendency to protect local investments, and thereby to strike at the very principles of the Community?

The rules governing associations of undertakings, about which so much has been spoken, run counter to the trend of the modern world, the trend of industry towards specialisation by enterprises, towards co-ordination and the division of labour. We may even reach the point where agreements concerning exclusive sale between a producing company of one Common Market country and a retailer of another are prohibited, so great is the desire to see everyone nicely listed in the registers and given due licence to operate. I for my part await with some impatience the reply to a very explicit question which I tabled on this point.

The association with the overseas countries and territories has developed, to be sure, but one may ask whether it is not more apparent than real. No one today can say whether it will not bow before the wind of Africanism which is blowing through countries whose living standard, everyone knows, cannot be raised without a planned, not to say socialist, economy, whereas we are bringing to them, apart from gifts, the traditional machinery of the European economy, capitalist and neo-liberal, wholly unsuitable for developing countries such as these.

The proof lies in the objection to stabilisation of commodity prices, stabilisation of outlets. This is, in fact, being practised only by France and in reality no progress has been made with it for four years by the European Economic Community, apart from the generous financial effort represented by the Overseas Development Fund.

The idea voiced by Mr. Moussa, that we should strive towards the Ford system of raising wages through an increase in

the price of raw materials, certainly has much to commend it; but so far none of the countries of six-Power Europe has admitted it, because each one seeks raw materials at the lowest price in the interests of the European processing firms and not in those of the producing countries.

Here I would draw attention to No. 767 of the French review *Les problèmes économiques* which, under the signature of a German economist, states that present development assistance is an example of badly directed liberal aid. It is noted, in particular, that private capital is not invested when there is the slightest risk and that it is public capital which then obtains the guarantees needed for the success of the operations carried out by private capital. Thus it is public money which, in the framework of bilateral agreements, "primes the pump" of exports towards countries in process of development. And in certain countries of the Community, particularly Germany, there is clearly a tendency to take no notice of overseas investment projects unless they are entirely compatible with liberal principles.

Can it be said, then, that we have made the necessary intellectual, moral and social effort, even in this field, to provide these countries with the help they hoped to receive from us?

I will not touch on the atomic sphere although it may cause some surprise that, as a result of much lobbying at Euratom, and at the instance of that body, the first important German nuclear power plant has been ordered in the United States. A boiling water and enriched uranium reactor was preferred to the French project or the Anglo-German project for a slow graphite reactor using natural uranium. Is this logical, with all our talk of unifying Europe, above all when it is known that the "Buy American Act" is not a myth?

Is it logical where such costly research is concerned?

There seems to me no doubt—I shall confine myself to these few examples—that the liberal policy practised hitherto is based on old memories. A love of *laisser-faire* is out of keeping with our times and with the task of promoting European unity.

In actual fact the liberal wind which in economic matters blows through the Community goes against the trend of the world. In all modern States it is the State itself which provides the nucleus of the capital, either directly through the budget or indirectly through orders placed by public enterprises with large or small private enterprises.

Nevertheless, free enterprise is still spoken of as if in any industrialised country of the world it was still a serious term. Even in the United States the bankers are the first to laugh when they hear the phrase, for they know very well that the enterprises which they finance could not distribute the dividends they pay out if they did not have behind them the enormous orders of the American State, arising out of armament needs or such specialised industries as the atomic or space industries.

We must therefore put a damper on these memories and leave them behind us.

Each European country must stop hoping to conquer a market at the expense of its partners. Our watchword is still the defence of private interests, and we might therefore be tempted to ignore the risk of a change in the employment level in the most vulnerable enterprises, to ignore also the possible reactions of the workers in such a case. This is tantamount to forgetting one of the fundamental reasons for which the European Economic Community was set up: the joint raising of the standard of living.

Politics of this kind, coloured by private desires, hinder the entry of new partners, for they, too, when they see our behaviour, think only of making sure of their own advantages. Each one thus seeks to defend such or such a product, to conquer such or such a part of the market, in the same way as within the Europe of the Six private enterprises seek to obtain an ever greater margin of profit within an extended market, forgetting that they often owe those benefits to public funds.

This conception hinders the entry of partners such as Great Britain. It also hinders, one feels this in the discussions with

our friends of the Free Trade Association, the successful conclusion of the talks, for with the liberal myth you preserve the bitter taste of competition and rancour.

A "programming" policy, on the other hand, would enable an end to be put to tariff talks, to the discussions on the possibilities of opening or closing this or that part of the frontiers.

If I hope for Great Britain's entry into the Common Market it is because the notion has given me, along with the other "planners", great pleasure. Britain has made a beginning with planning, it has set up a planning body. If it joins the Common Market the French will no longer be alone. They will have the further support of their Italian and Belgian friends—who also came to the realisation, quite recently, that in this world planning was necessary.

On the day when a planning majority reigns over Europe, the laggards or simple-minded, those who still believe in the virtues of a classical liberal economy, will be obliged to admit that they are wrong and to play the game of the majority, if they are still democrats.

For me the problem is very clear: either we all abandon in our hearts the traditional, classical liberal economy, in which case we shall be able to build a jointly prosperous Europe wherein the notion of individual profit gives way before that of collective profit; or else we shall continue harping on the same old theme, the search for the maximum capitalist profit. That will be to the detriment not only of Europe but also of the countries with which we are associated.

To be sure, it will require audacity, the utmost audacity, to build Europe; Mr. Maurice Faure has repeatedly said so here. Audacity is needed, of course, but there is nothing audacious about trying to build Europe with out-of-date methods or with an atrophied heart. Audacity means changing the structures; it means advancing from an anarchic liberal economy to a planned economy, to joint planning. Once that is achieved we shall truly have built what the most fervent supporters of Europe hope for.

The countries of Eastern Europe did not know how to effect this change. They strove for a planned economy without giving man his freedom back. Our sole endeavour now must be the philosophical effort to establish this concerted economy, while leaving man his freedom.

If Europe succeeds in this endeavour it will come into its own. It will then constitute a pole of attraction for the uncommitted countries—a point of fundamental importance at a time when in the United Nations the majority has become an Afro-Asian one.

I apologise, Mr. Chairman, Ladies and Gentlemen, if I have spoken words which were no doubt unorthodox and which differ from those you are used to hearing. But those who know me are aware that for years I have pleaded with conviction, with the whole of my feelings, for this cause in which I believe, the cause of the superiority of planning over economic liberalism.

And it is in this sense that I hope Europe will be built, a Europe, not of the Six, but of many more.

The Chairman. — I call Mr. Gülek.

Mr. Gülek (*Turkey*). — This Joint Meeting of the European Assemblies is a happy tradition. In reading the reports and listening to the speeches, I have felt that we are all witnessing an historical event, the creation of the United States of Europe.

The concrete step towards the creation of the United States of Europe is the European Economic Community. Indeed, the Treaty of Rome, creating the European Economic Community, is a turning-point in European history. At the start nobody dreamt of its tremendous success. When the Treaty was signed it was thought that it would be of mild importance, but it has been one of the steps towards European integration. The proof of its success has been shown in different ways. I think that the most striking has been the great opposition to, and attack upon it, by Communist Russia and, on the other hand, the great interest

taken in it by President Kennedy. Russia has attacked it vigorously and has tried to take counter-measures against it. President Kennedy, in his speech on the state of the Union and also in Philadelphia, on the anniversary of American independence, took up the theme of European economic integration and thought it so important that he proposed a kind of partnership between the United States of America and the developing United States of Europe. He proposed a kind of Atlantic alliance, an Atlantic union. This shows how successful has been this step towards European integration.

The European Economic Community has been so successful that it was natural that others should want to join it. It was natural that the British admission to the Community should be taken as a desire on her part to join a successful union, but it is more than that. It is a European problem; it is a world problem.

The British Commonwealth plays an important part in world politics and the world economy. The British application to join the Community should be considered as an important application which has implications in many other countries outside Europe. The Commonwealth is a defender of freedom. It is a union of nations that is of importance not only to its members but also to Europe. For that reason, the problems of British integration must be taken seriously. Consideration must be given to the British difficulties. Understanding must be shown, and somehow, a way must be found to integrate Britain into the Community.

The problem of the Neutrals is very important also. There are important reasons why these countries in Europe are neutral. I do not want to go into those reasons now, but some way must be found whereby they can keep their neutrality while becoming associated with the Community.

The integration of under-developed countries in Europe into the Community presents special problems. Whenever we speak of under-developed countries the problem of aid arises—both material aid and aid in know-how. Aid to under-developed countries is a new concept. It certainly is not charity. It is in the enlightened interest of developed countries as well as in the

interest of the under-developed. This was started by the United States, and then Europe joined in. It is a world-wide undertaking. Surely Europe cannot tolerate under-developed countries in Europe being treated less favourably than under-developed countries elsewhere. I think that the under-developed countries of Europe feel that they have first claim to aid from the developed countries of Europe. They want not merely aid but integration in the Community. Greece, very happily, has attained this. Now it is Turkey's turn.

Turkey presents a special case. It was not attracted to the Community only when it proved a success. From the very beginning it was interested and applied for integration and association because it believes in union economically and in the political union that will follow. Of course, Turkey's integration presents difficult problems that must be solved. I know that there are certain economic considerations that lead certain members of the Community to hesitate, but hesitations of an economic nature will be more than made up by political considerations.

Professor Hallstein yesterday gave the criterion for new admissions to the Community. He said new admissions must make the EEC stronger. Turkey conforms to this criterion, because I believe that Turkey's entry will make the Community stronger and will make the defence of the Community certainly stronger. Indeed, economics and politics cannot be separated from each other and defence is at the base of it all.

From the defence point of view, Turkey presents a special case, first, because of its geographical position—it has one of the longest land frontiers on the common danger that Europe faces. It is also making a tremendous defence effort for free Europe and, indeed, for the free world. I am thankful to Mr. Margue who pointed out yesterday the great effort Turkey is making in defence, with almost 500,000 men under arms. This imposes a tremendous burden on the Turkish economy.

Today Turkey has one of the strongest and largest armies in Europe. It is a tremendous burden which, if curtailed, could

have made resources available for other purposes in the betterment of the economy, as some European countries have found ways of limiting their defence commitments. But we believe Turkey cannot afford to do this because of the responsibility it has assumed in the defence of the free world. We believe that turbulent days may be ahead and that a strong army and great sacrifices may be needed.

Turkey's other special situation in the defence problem is its experience of the common danger that faces us all. We have had more than a dozen wars with our northern neighbour. We know from experience how to deal with its psychology. We know that decisiveness—no hesitation—is the only way to meet the threat that may come from there.

I give one example. Turkey was faced in 1945 with Soviet Russia's demand for a common defence of the Straits and the return of certain provinces in Eastern Turkey. Turkey was alone. There was no NATO, and in 1945 it was fashionable for Europe and America to be friendly with Russia and to believe what Russia said. We knew that we were alone, but we did not hesitate. We gave a definite "no" as an answer. We Turks have cast our lot with the free world and with free Europe. We believe in the United States of Europe. We think that Europe owes it to the staunch defender of her frontiers and ideals and to herself to consider the cause of the Turks with special care.

Before I conclude, Sir, I wish to express the great emotion which I feel as I think of the heroic beginning of the Council of Europe way back in 1949 when it was only an idea and an ideal; when great men like Herriot, Churchill and De Gasperi gathered here — I was one of those fortunate mortals—thought it a good beginning for a dream and a hope; now we are happy to be able to say that the hope has materialised. Here is a European Economic Community as a definite reality. Tomorrow I am sure that we shall witness the creation of a United States of Europe which will be one of the great Powers of the world. In the words of Victor Hugo, the United States of America and the United States of Europe will be sitting face to face.

The Chairman. — I call the last speaker for this morning, Mr. Bournias.

Mr. Bournias (*Greece*). — The Athens Agreement, the instruments of ratification of which were exchanged in Brussels on the 24th of last month, does not make Greece a full member of the European Economic Community. Neverthelss, it gives my country the right to take an interest in and to watch the progress and development of the Economic Community of the six European countries with whom it has become associated under a special status.

The report on the activities of the European Parliament, as well as the speeches of the competent *rapporteurs* and the representatives of the three Communities which we heard yesterday, laid special emphasis on the adoption of a series of measures in matters of common agricultural policy, the passage of EEC to the second stage, and the applications submitted by a good many European countries to adhere to or to become associated with EEC. The most important of these applicants was Great Britain, whose application was the most striking development in 1961 so far as EEC is concerned.

In the event—apart from Great Britain and Ireland—Turkey, Denmark, Austria, Sweden, Switzerland and Spain have submitted applications to join the Community or become associated with it. This fact has been greeted as marking a definite tendency towards an enlargement of the European Economic Community, whose realisation would lead to closer economic and political co-operation within Europe.

The Council of Europe has missed no opportunity of stressing the need for a common European attitude, especially in the United Nations, to world problems. This actually formed the basis of Recommendation 313/1962 adopted by the Assembly on 17th May last.

Except for Greece, no other country has so far become associated with EEC. It is true that the Brussels negotiations which

concerned the adherence of the United Kingdom to the European Economic Community at first made considerable headway, but they have now become deadlocked over the question of Commonwealth agricultural commodities. Thus the initial optimism has now become overclouded by the White Book which contains the report of the Lord Privy Seal and the failure of the Conference of Prime Ministers of the Commonwealth countries to find a solution to this great problem.

As Europeans and as members of the Council of Europe, we cannot but express the earnest hope that the negotiations between EEC and the United Kingdom may be carried to a happy conclusion, because in essence the association of many other countries depends upon the success of these negotiations, as was aptly pointed out in his report by Senator Vos, *Rapporteur* of the Economic Committee.

It is also to be hoped that Great Britain's entry into the Common Market may not be limited to economic union only but that it may also further the question of the political union of Europe, despite the fact that it is commonly argued that the two questions are separate.

On the Greek side, I should like to emphasise the special interest which my country has in two important points. One is the freedom of movement of workers within the area of the Community and the other is aid to the countries which are in the process of development.

Greek interest in the first of these questions is quite understandable. At present, for example, there are over 70,000 Greek workers employed in West Germany and several thousand in Belgium and France. We have, therefore, welcomed three important decisions recently taken at the headquarters of the European Community concerning (a) the protection of the social insurance rights of workers who are nationals of member countries of EEC when they emigrate to another member country for employment purposes; (b) the commencement of operation of the Social Fund of the Community, and (c) the fixing of real

wages and the common classification of workers in the countries of the Community according to labour costs and family budgets.

We have also welcomed the other measures which are being considered at Brussels to extend protection to the workers. Included in these measures are equality of pay for men and women in respect of the same work and the same qualifications by the end of 1963, the abolition of distinctions of nationality in respect of candidates for vocational training and the study of a common labour week enforceable in all the countries of the Community.

As for the extension of aid to under-developed countries, Greece fully supports the resolution adopted on 26th July last by the competent Committee.

With special reference to Greece and Turkey, on the initiative of the United States two consortia were established by OECD last July to consider the question of loan assistance to these two countries. The competent Committee of OECD has already examined the long-term development programmes of Greece and Turkey. Their respective needs have also been the subject of a special study.

We must now express due appreciation of the establishment of a consortium for Greece. This fact clearly shows that the countries which are members of the consortium fully realise that my country must be lent the necessary capital that will enable her to accelerate her economic development and to carry out the structural changes in her economy which are necessary for the success of her association with the Community.

It is worth recalling that, on the occasion of the exchange of the instruments of ratification, the Greek Prime Minister, Mr. Karamanlis, said:

> "The Government has done and will continue to do its duty by directing Greek productive effort towards the new goals set by the association, by creating the proper eco-

nomic climate and by laying the necessary infrastructure through the public investment programme."

The Greek Budget cannot provide sufficient resources for the financing of the public investment programmes, although the Greek people are heavily taxed. We need outside financing, particularly now that American aid has definitely ended and that my country admittedly bears a NATO defence burden out of proportion to her economic capabilities.

On this occasion, it would be useful to emphasise the importance of promoting the development of those Mediterranean areas which are the connecting links between Europe and Africa, as rightly emphasised by the report on the four years of the Common Market.

It is significant that the EEC report acknowledges the need for a realignment of the policies of Greece and of the Community in economic, trade and agricultural matters and also the need to make available to the Greek economy the necessary financial resources that would enable it to accelerate its development and to raise the living standard and increase the opportunities of employment of the Greek people.

We must also express our appreciation of the fact that the United States Government, to which my nation is so greatly indebted, recently declared in Athens through the Vice-President, Mr. Lyndon Johnson, that, despite the termination of the grants-in-aid, "the United States would continue its assistance at a high level, designed to strengthen Greek security and economic development."

In these circumstances, the Greek people look to the future with optimism and accept willingly the sacrifices entailed by association with the EEC and the readjustment of the Greek economy; for they deeply resented the fact that Greece was geographically and economically isolated from Europe, with which it has strong ideological affinities.

The Greek people are now confident that the economic association of Greece with the six countries of Europe will contribute to the furtherance of the European spirit in Greece, which forms one of the principal objectives both of the Council of Europe and of the European Economic Community.

The Chairman. — I now adjourn the Joint Meeting until three o'clock this afternoon, when the debate will be continued and answers will be given by the Presidents of the Communities and by the Rapporteurs.

The Sitting is adjourned.

(*The Sitting was adjourned at 1.14 p.m. and resumed at 3.5 p.m.*)

The Chairman. — The Sitting is open.

I call the first speaker, Mr. Kallias.

Mr. Kallias (*Greece*) (*F*) (Translation). — Mr. Chairman, Ladies and Gentlemen, we have listened with keen satisfaction to words of great weight and import giving us every reason to hope that this joint session of the two European parliamentary bodies will produce constructive results.

Alive to the great problems which occupy us, such as the unification of Europe, the geographical extension of the future European organisation, the prospect of other States joining or becoming associated with the European Economic Community and the part which the Council of Europe will be called upon to play, I consider it my duty, before going on to state my personal views on these issues, to assure you of the deep satisfaction felt by the great majority of the Greek people, with the sole exception of the extreme left-wing, at the announcement of the completion in Brussels on 24th August of the final step in association procedure enabling the association of Greece with the European Economic Community to take effect from 1st November this year.

The link established between Greece and the European Economic Community is something more than an association, it is

a prelude to accession, for the Athens Agreement of 9th July 1961 provides for a system designed to facilitate Greece's full accession in the future. This is emphasised in Mr. Edoardo Martino's report to the Consultative Assembly, and the effort which Greece is determined to make to speed up the various stages is in complete harmony with this aim.

Today, the problem of European unification is envisaged in a more concrete and realistic form in the European Economic Community which comprises only six States and of which Greece is an associate Member, than in the wider framework of the sixteen Council of Europe States.

Among the European Economic Community's achievements are, first of all, its great success in the economic field, so outstanding indeed that President Kennedy, in his speech at Philadelphia on 4th July 1962, proposed signing a proclamation of the inter-dependence of the United States and the New Europe. The rapporteur, Mr. Pflimlin, described Mr. Kennedy's statement as historic. The Soviet Government, on the other hand, launched a strong counter-attack against the European Economic Community. The development of the Soviet attitude as it is now becoming apparent merely confirms this.

The detailed negotiations which preceded the original agreement are repeated for every new association. Their purpose is to solve important problems which might have grave consequences for the cohesion of the organisation, if they arose after the accession or association of a new European Member.

Let us consider briefly the stage reached in solving the problems of European unification. The idea of such a unification is a very old one. It dates back to the XVIIIth and XIXth centuries, to David Hume and Montesquieu who advocated a Europe of a single State with a number of provinces, it harks back to Henri de Saint-Simon who, in 1815, propounded a scheme for the reorganisation of European society, to Lamartine who, in 1848, wanted to safeguard the harmony of the European continent, to Victor Hugo who, in 1849, looked forward to European brotherhood.

There is no need to mention all the visionaries who have been the champions of the European ideal from that day to this. Since 1949 we have gone a step further than the poets and philosophers; thanks to the initiative of certain great European statesmen, we are now giving concrete form to their ideas.

Institutions have been set up, among them the Council of Europe, established in 1949 by the Treaty of London, and the European Economic Community, established in 1957 by the Treaty of Rome.

Let us consider briefly what is going on inside the European Economic Community and what are its relations with European countries which are not yet, but hope to become, Members.

At first sight, we note sharp differences of opinion, particularly as regards the form which the political organisation of Europe is to take and the number of States it is to comprise, or, for the present, which the European Economic Community is to comprise.

As far as the creation of a supranational organisation is concerned, the tendencies coming to light derive from a desire to preserve rather than to change the *status quo*. This attitude of reserve is the consequence of national sentiment or pride, or, perhaps after all, of sheer political realism.

One or two Powers have been suspected of wishing to turn the present and future structure of Europe to their own advantage and of planning to keep certain States out. Differences which at the moment seem insuperable have indeed arisen over the admission of certain countries. Discontent, disappointment and criticism make their appearance from time to time. Despite existing difficulties, I persist in an attitude of optimism—which perhaps does not, at first sight, seem altogether justified by the present situation.

May I be permitted to hazard the opinion that, at bottom, the Governments have no desire to make difficulties and that

their opposition cannot prevent the goal being reached in the end. Their reactions are natural enough in view of the importance of the issues at stake. The difficulties are real and can be overcome only by good will, sincerity and a deep sense of European responsibility throughout a determined and scrupulous search for a solution by broad-minded men with imagination and a constructive outlook.

I should like to mention, in passing, the need to revise Article 17 of the Fouchet Plan, so as not to place any unwarranted obstacle in the way of membership of the future European organisation.

The European question, the unification of Europe, has now entered the phase of concrete action. The time of hopes and dreams is past. That is why obstacles are being encountered, and points of view are clashing. It was inevitable. The optimists, the pessimists, the bold and the timid, the ready and willing and those who are against immediate collaboration—all are fomenting the present controversies.

But the more violent they are, the surer one can be that Europe will be given a lasting form of union and it must be admitted that there is intense activity going on in the European Economic Community to lay the foundations for the eventual European organisation.

I foresee a brillant future for Europe. Fifteen years ago it was poverty-stricken and in ruins. Today it is prospering and going on from strength to strength. Tomorrow it will be rich, powerful and fully prepared to assume a new historic task. (*Applause.*)

The Chairman. — I call Mr. Kraft.

Mr. Kraft (*Denmark*). — I do not want to take part in the general political debate and add another argument to the main issue under discussion, but with your kind permission, Mr. President, I should like to say a few words referring to paragraph 144

of Mr. Martino's Report, which has been taken up by Mr. Margue in paragraph 4 of his reply. My concern is the urgent need to agree on a combined science policy for Europe and the role which the European Parliament should play in this respect. It is only fairly recently that the need for international co-operation in scientific research has been felt and that a beginning has been made in defining the basis of co-ordination.

In 1958 the Consultative Assembly sounded the alarm by adopting Recommendation 173 on the scientific research crisis in Europe, and it was only at about that time that measures to fill a dangerous gap were started. Action was taken by the large international organisations on a scale befitting their own requirements. The OEEC in particular has done a considerable amount of work in analysing the real needs and in developing methods of co-operation.

Without retracing the subjects which have led through a multitude of different pragmatic solutions to increasing heart searchings on the problem, it can be said that the situation today seems to have developed sufficiently to require the Governments concerned to come to an agreement on the broad lines of a unified science policy and to adopt the measures necessary to implement it.

An international governmental conference at ministerial level has been proposed by the Consultative Assembly for that purpose through Recommendation 320. However, the time has also come to stimulate parliamentary circles to take an active part in this development. It is a truism to say that economic and social progress and a country's status in the world depend more and more on scientific and technical achievements. But we must realise that in a parliamentary democracy this means that parliamentarians, when voting financial appropriations fixing priorities, have to make a choice, where problems of scientific research are concerned, which may be decisive for the future prosperity of their country, although they are possibly not competent to deal with the complexities and technicalities of the problems.

The enormous increase in the importance of science in modern society makes it necessary and in fact essential to create a permanent liaison between parliamentarians and scientists, and this liaison must take place at two levels—national and international. Both for scientific and political reasons it is impossible to conceive an adequate national science policy today. A Member of Parliament who wishes to become acquainted with problems of scientific research through contacts with competent circles must acquire an effective knowledge of the basis of international co-operation in science.

The first step towards making Parliaments more aware of the importance of science was, as you all remember, the first European Parliamentary Scientific Conference held in London in March 1961. Since then liaison committees have been established in Belgium, Turkey and Sweden and are in process of creation in Austria and Italy. The time is ripe at least to envisage a second step and I have pleasure in informing this Joint Meeting that the Scientific and Cultural Committee is planning to organise a second Parliamentary and Scientific Conference on a broader basis with the main purpose of showing the interdependence of national and international co-operation in science. This Conference will also provide an opportunity for Parliamentarians and scientists to study together for their mutual benefit the impact of science on the development of society.

The idea of such a second Conference, I am happy to say, was born at a meeting held at the European Centre of Nuclear Research in Geneva in April 1962, by the Cultural and Scientific Committee of the Consultative Assembly together with a delegation from the Committee for Culture and Research of the European Parliament.

As Mr. Martino says in his report, "Those who took part in this meeting have underlined the necessity for undertaking an important and flexible programme in this field in order to spread throughout all European countries the benefits of progress and scientific research in a way that could not be achieved through efforts on the purely national level."

The success of this Joint Meeting, based on the community of interest of European parliamentarians in adapting the political institutions of their countries to the needs of modern society, makes me hope that representatives from the European Parliament will participate in the second Scientific and Parliamentary Conference and that we shall continue to consider the concern for a common European science policy as joint responsibilities of our two Assemblies.

The Chairman. — I call Mr. Janssens.

Mr. Janssens (*Belgium*) (*F*) (Translation). — As Chairman of the European Parliament's Committee on Research and Culture, I cannot decently allow the speech made by my colleague Mr. Kraft, Chairman of the Cultural and Scientific Committee of the Council of Europe's Consultative Assembly, to pass unanswered. Besides, I should be failing badly in my duty if I were not to thank Mr. Kraft again for his kindness in inviting the members of my committee to take part in a joint visit to CERN, the European Nuclear Research Centre at Mérins near Geneva.

The visit took place on 4th April last, and it certainly gave the members of both our committees an opportunity of appreciating not only the scale and the great scientific and technical importance of the equipment and discoveries shown and explained to them by the directing authorities, but also the excellent atmosphere of the subsequent discussions during the colloquy held in Geneva after the visit between the representatives of our two Assemblies.

The range of the discussion, which was also attended by the leadings officials of CERN, of OECD and of UNESCO, was extremely wide. One of the first facts to emerge was that, however different the composition, duties, terms of reference and powers of the two Assemblies may be, they unquestionably have a large number of points in common, as witness the similar, not to say identical, activities of the two committees, whose respective titles alone would justify their working together.

The Geneva colloquy also brought out the ease with which unanimity could be achieved on a large number of points, and even conclusions, capable of forming a useful basis for our future work and research. This does not mean, of course, that there were no differences of opinion regarding, for instance, the best way of dealing with the various delays or obstacles that are at present restricting the expansion and co-ordination of scientific research in European countries.

As one method of getting rid of these obstacles, the Council of Europe's Committee of Ministers has set up a Council for Cultural Co-operation in order to centralize all the efforts being deployed in Europe in the scientific and cultural field. The Council's Consultative Assembly has a very important part to play here by suggesting proposals for co-ordination on which both our Assemblies could usefully agree.

The ground is favourable for such proposals because, as experience has shown, Europe is already capable of large-scale practical projects, as in the case of CERN, on the basis of the research carried out at Winfrith Heath in the United Kingdom on the *Dragon* project, and at Halden in Norway. This explains the universally-felt need to develop and co-ordinate scientific activities in the European countries, a need that has become all the more pressing owing to the shortage of qualified scientific workers throughout Europe. All European organisations, however they may differ institutionally, should therefore encourage such co-ordination.

I consider it perfectly reasonable to suggest a European Conference for this purpose at Ministerial level, with the task of making proposals for the framing of a real European science policy. Within this general framework, comprising all the democratic nations of Western Europe, the Council of Europe and its Consultative Assembly can undoubtedly play a major role.

The Consultative Assembly has indeed already set an example by participating in the organisation of the European Parliamentary and Scientific Conference, mentioned just now by Mr. Kraft, which was held in London on 21st and 22nd March 1961.

The final Resolution unanimously approved by the Conference emphasised the need to develop and co-ordinate scientific research and its applications in the various countries of Europe and to establish an increasingly close co-operation between scientists and Members of Parliament. A few days later—if my information is correct—the Consultative Assembly of the Council of Europe itself unanimously adopted a Resolution in which it reaffirmed its conviction that all national parliaments should have some permanent machinery for liaison between the scientific and parliamentary worlds, in order to allow parliamentarians to be better informed, more enlightened, on all questions concerning scientific progress and technical development.

A number of European parliamentary assemblies seem to have listened to this appeal. For instance, the Belgian Senate, on the initiative of its President, Mr. Struye, has set up a joint committee of senators and deputies specially qualified to make a study of this question.

Need I say how pleased I am to learn that the Cultural and Scientific Committee of the Consultative Assembly is at present making arrangements for a second European Parliamentary and Scientific Conference, to be held in Vienna in 1963?

I venture to express the hope that the Committee on Research and Culture of the European Parliament will be invited to take part in this Second Conference. I do not think that this Committee, of which I have the honour to be Chairman, is being too bold or ambitious in hoping for such an invitation. I have no hesitation in saying that the members of the European Parliament, in particular those of its Committee on Research and Culture, are fully aware of the need to develop and co-ordinate scientific activities in the European countries. They share the views of their opposite numbers in the Consultative Assembly as to the desirability of achieving this co-ordination by means of an increasingly close co-operation, with a view to the institution of a real common policy in the field of research.

This being said, I do not consider for a moment that the

six-Power Community should be absorbed into a broader European framework, but rather that the European Communities' effort must be consistent with the general line followed by all the countries of Western Europe.

It is impossible to pass over the fundamental differences in structure, and, indeed, in nature, between the Consultative Assembly and the European Parliament. The former, as its title implies, is empowered to advise and recommend, whereas the latter has already, in some degree—though not enough in my opinion—the character of a parliament, since it enjoys supervisory powers that are clearly defined in the treaties instituting the European Communities.

This basic difference must not, however, prevent the two Assemblies from co-operating in the achievement of their common goal, namely the ever closer union of European nations and peoples not only in the economic, social and scientific fields but also in the political sphere. Such union seems to me easier to achieve within the relatively limited framework of the six countries which now make up the European Community, since all six have already declared themselves prepared to give up certain features of their national sovereignty, including their policies in the fields of scientific research and general culture, which have been pursued hitherto at purely national level.

On this point, the European Parliament is genuinely convinced of the urgent need for all the European countries steadfastly to continue their present efforts in the spheres of pure and applied research in order to catch up and keep up with the United States and the U.S.S.R.

It would be premature, however, to endeavour to devise a specific and rigid framework for this co-operation, which at present depends on the good will of the various Governments. Nevertheless, in the current transition period, such co-operation might well develop at two levels, namely that of OECD and that of the existing specialised organisations, such as CERN in Geneva, Eurochemic, at Mol in Belgium, ESRO—the European Space Research Organisations—*etc.*

On the other hand, the European Parliament and the Consultative Assembly of the Council of Europe can already exert their influence on national Governments, especially on the occasion of this annual joint session at which the members of the two Assemblies meet to examine and discuss freely and objectively the progress report of the European Parliament for the previous year.

The general debate which follows the presentation of that report gives rise, as now, to a comparison of results and discussion of any constructive suggestions that can be made to strengthen co-operation between European countries, particularly in the field of scientific research.

I can assure you that the European Parliament will do all in its power to make a definite and effective contribution to the solution of the complex, delicate and pressing problems facing it.

In view of the short time at my disposal, I cannot, of course, go into all the problems which fall within the province of the Committee for Research and Culture of the European Parliament. I would mention, however, that the Committee's powers have been considerably extended following the decisions taken by the Conference of Heads of State or Government at Bonn in 1961, when the European Parliament was bidden to extend its activities to educational, cultural and research problems.

You may also be interested to know that Mr. De Block's progress report on cultural co-operation between the member States of the European Community is to be examined and discussed at our Committee's next meeting, which will be held in Berlin next autumn. This report also deals with the very important and complex problem of the creation of a European university, to which the *rapporteur* of the Consultative Assembly, Mr. Margue, alluded in his speach yesterday.

I seem to remember that Mr. Margue said, with a frankness which is all to his credit, that the decision taken by the Governments to ask Italy to take charge of setting up the new European

university in Florence was not entirely satisfactory to the Consultative Assembly. I am unable to go into all the details of this extremely delicate matter, to which the European Parliament has already devoted many reports and debates. Suffice it to say that my Committee will of course follow this question very closely.

The control which the Research and Cultural Committee of the European Parliament is to exercise over the activities of the European Communities inevitably implies the establishment and maintenance of personal contacts with all centres and organisations concerned not only with nuclear but also with general scientific research. Following our visit last May to the Joint Centre at Ispra, we propose to organise in the fairly near future information visits to other establishments such as those at Karlsruhe in Germany, Mol in Belgium and Petten in the Netherlands.

In this very brief outline of the activities of the Committee for Research and Culture of the European Parliament, I have simply sought to prove to you, Mr. President, Ladies and Gentlemen, that I was not making a vain promise in offering our co-operation to the Cultural and Scientific Committee of the Consultative Assembly of the Council of Europe in the realisation of our joint aim, namely, the promotion and co-ordination of European scientific research and culture. (*Applause.*)

The Chairman. — I call Mr. Duynstee.

Mr. Duynstee (*Netherlands*). — To begin with, I should like to congratulate the *Rapporteurs* on their reports and Professor Hallstein, Mr. Sassen and Mr. Malvestiti on their contributions to the debate yesterday. As a Dutchman I am tempted to digress upon the speeches made by the *Rapporteurs* and the other three gentlemen whom I have mentioned, especially so after the deplorable recent interruption of the negotiations between the Community of the Six on the one hand and the United Kingdom on the other, but I shall not do so. But may I be allowed to deal with a few topics which I deem of importance at this very moment? I shall do so in telegraphic style as much as possible.

One of the avowed objects of General de Gaulle's policy is to change the structure of NATO. Recently, that is to say, the end of July of this year, I had the good fortune, together with some of my colleagues in the Defence and Armaments Committee of the Western European Union, to visit some parts of the United States and Washington. This small working group came to the conclusion that responsible people in the United States held the view that after the creation of a United Europe the Atlantic partnership idea would involve a readjustement of the NATO structure but that this reorganisation would have to take place after the political unification of Europe. By that political unification of Europe the United States Government envisages a unit comprising more countries than the mere Community of the Six. It became to us quite obvious, after having had contact with a great number of responsible people in the United States, that they held the view that no real progress towards a multilateral nuclear force could be made unless a decision on the adherence of the United Kingdom to the Common Market had been taken and a European political union created.

The foregoing trends of thought are of obvious importance because indirectly the whole question of the proliferation of nuclear armaments is involved. I tend here to disagree with my colleague, Mr. Brown, who was one of the gentlemen who accompanied the working group to Washington, when he said this morning that there was no great hurry to come to an agreement between the Community and the United Kingdom. In my opinion, economic and political reasons militate very strongly in favour of a speedy solution. There are, however, also military reasons in favour of a speedy solution if one wants to grasp the chance of avoiding the proliferation of nuclear arms in Europe. This point I want to stress.

I also disagreed with Mr. Nehru when he said at the Commonwealth Conference in London last week, according to newspaper reports, that in this view the entry of the United Kingdom into the Common Market would increase East-West tension. It is my contention that it would rather tend in the long run to decrease tension between East and West.

I hope that when the discussions between the Community and the United Kingdom restart at the beginning of October the wider implications—one could call them the military and political dimensions of the question—will be borne in mind constantly. They are of the utmost importance for Europe and for the world at large.

In the context of the foregoing, allow me to say a few words, again in telegraphic style, on the position of the neutral countries in Europe. I want to except the case of Austria, but I would ask you to look briefly at the position of Sweden and Switzerland. Apparently the neutral States in Europe deem it impossible to pursue independently their policies of neutrality unless they dispose of some nuclear means of defence. In Switzerland this fact was publicly admitted in a referendum at the beginning of the year when the Swiss people pronounced themselves in favour of nuclear armaments. In Sweden the general staff deems it indispensable for the defence of Sweden and the pursuit of an independent Swedish neutral policy to have possession of a nuclear capability or capacity.

One could, therefore, perhaps, envisage a situation in Europe in years to come whereby there would be in existence an Atlantic multilateral nuclear force, but alongside this force of the free world two small independent national nuclear forces, one in Sweden, the other in Switzerland. We would then find ourselves facing a situation where against the Russian monolithic nuclear force there would exist a nuclear proliferation on the side of the West.

I have often said in this Assembly that perhaps in the past there was some advantage in having a neutral Sweden and Switzerland—an advantage for Sweden and for Switzerland on the one hand and for Europe on the other. But I think that the advent of modern weapons has changed this picture completely.

To be a power-vacuum in Europe like, for instance, Finland leads to a situation in which a country is not able to determine its foreign policy according to its own free choice. To possess

a small nuclear force does not fundamentally change such a position. Apart from general and controlled disarmament, a maximum extent of security is to be found only, in my opinion, under the umbrella of a communal, jointly owned, fully effective, fully balanced and fully co-ordinated nuclear deterrent.

Independent national striking forces of a size such as any single European country can afford to construct or has the technical capability of constructing can only trigger off a larger nuclear holocaust caused by drawing in the nuclear capabilities of the two nuclear world Powers—the United States and Russia. The achievement of a position of neutral *status quo* for itself by such a national independent striking force by its own strength is not possible.

It is my hope that the two neutral countries will fully study the implications of their military situation in the context of their internal military position and capability and in the context of the overall European and Atlantic military position, and that logic will lead them in time to come to apply for full membership of a three-dimensional EEC. By that I mean an EEC which will deal with economic, political and military problems at one and the same time and in one and the same place. This might be a futuristic vision when one looks at the EEC faced with the difficulties by which it is at present confronted. If, however, Europe wants to achieve a co-ordinated—I will not talk about a common, but a co-ordinated—European foreign politicy, this is at least the minimum that should be achieved if you want to have a working basis from which to operate. Military, economic and political problems form, alas, to my great regret, an inescapable trinity if it is desired to come to a co-ordinated foreign policy.

On a totally different subject. I wish to conclude with a word on the position of the Commonwealth. Allow me to say how disappointed I was in the attitude taken by the Commonwealth laeders last week in London. As a continental European, I very much want to see the Commonwealth strengthened. Mr. Brown this morning eloquently spoke about the importance of the Commonwealth, and to a very large extent I agree with

him. but I tend to draw the opposite conclusion. In my opinion, the only way to strengthen the Commonwealth is by a tie-up between EEC and the United Kingdom.

I have spoken in the Assembly dozens of times on the subject of the Commonwealth, and I shall not go into it in detail now, but I felt the urge to give expression to the disappointment which I felt about the views as expressed by such eminent statesmen as gathered together in London last week on the subject of a tie-up of the Commonwealth with the vast economic potential of a United Europe.

I have, in the main, viewed the need of European unity from, perhaps, a rather unusual angle—namely, from the angle of the danger of a proliferation of nuclear arms, on the one hand, and the possibility of achieving a truly multilateral nuclear Atlantic *force de frappe*, on the other hand. It is my fervent hope that the coming negotiations between the Six and the United Kingdom will succeed, because on their outcome will depend to a very large extent stability within the free world and stability within the world at large.

The Chairman. — I call Mr. Kirk.

Mr. Kirk (*United Kingdom*). — This is not an easy time for any British Representative at this meeting to speak on the general question of the relations of the non-Community countries with the Community which, after all, has always been the main subject of these annual debates. The Commonwealth Conference is still going on in London, even though it has finished its discussions on this specific point. No final *communiqué* has yet been issued; one is, I believe, expected in the very near future, but it is unlikely, in view of the events of last week, that any such *communiqué* in any case would be of any great help for or against the argument which is going on now in my country and in all the Commonwealth countries about possible terms of accession for the United Kingdom to the Common Market.

Mr. Duynstee has just expressed his regret at some of the attitudes taken in London. Naturally, I, as a firm believer in the

need for Britain to enter the Common Market, both for its own sake and for that of the Commonwealth and Europe, share that regret, but I cannot say that I share any great surprise at what occurred.

The Commonwealth countries, after all, are having to bargain for their position with us. They have no formal right of accession to the negotiations now going on in Brussels, although I understand that they have informal contacts. They cannot impress their case upon the Six direct. They can do it only at second hand and it is, therefore, only understandable that they would do it with all the more vehemence when they are doing it with us. Possibly, in some cases, they may have been almost too vehement.

It seems to me that in some respects they are asking for more from the Six than they already get from us under the present arrangement, and that is something that one could not really expect the Six to accept. Nevertheless, the strength of their reaction, regrettable though I think it was, was understandable, although I hope that now that they have made their views so firmly known, they may begin to appreciate also quite how much has been achieved on their behalf by the British Government in the negotiations in Brussels. Therefore, perhaps, it is no bad thing that today we should look at where we have got to in the negotiations and see how, if at all, we can go on from here.

Professor Hallstein yesterday drew up a rough balance-sheet of the advantages obtained so far and the areas in which no agreement had yet been reached. This balance-sheet was criticised this morning by my colleague Mr. George Brown on the ground that Professor Hallstein had put into the settled column things which, in Mr. Brown's opinion, were not settled at all. He instanced, for example, the question of associated overseas territories, the question of industrial and semi-industrial products from Asian countries, and also the question of New Zealand.

Mr. Brown's criticism of Professor Hallstein, in a speech the tenor of which I would not at all complain about, underlines a rather unfortunate misconception which is getting about, not only in Great Britain but also on the Continent, as to the nature of the negotiations at present taking place in Brussels.

As I understand it, no real attempt is being made at the moment to settle all the detailed problems which arise out of Britain's application. All that the negotiators are trying to do is to find a framework within which those detailed problems could be settled at a later stage. This is, of course, a very different thing. If all that one is trying to do is to create a frame, one does not have to paint in the picture in full as well.

I think that there has been considerable misunderstanding on this point, particularly because, as various pieces of frame have fallen into position, one or two, in the very nature of the case, have been detailed settlements as well as agreements in principle. For example, it is possible to agree that there shall be a nil tariff, say, on tea, which is a settlement in principle that tea shall enter duty-free, but automatically settling it in detail as well. Once it has been agreed that the duty on tea shall be nil, all the details with regard to the import of tea are settled.

I think that the misunderstanding and a lot of criticism which arose in London last week arose because it appeared that on certain issues agreement had been reached in the fullest and most minute detail whereas on others only the vaguest of general principles had been agreed and some of those general principles were a little difficult to understand. Most of the detailed criticism which Mr. Brown had to make this morning is, of course, a matter which can only be filled in if an agreement in principle can be reached. But at the moment we are at a far earlier stage than the speech by Mr. Brown would lead me to believe. We are still trying to find a principle on which Great Britain may enter. If we can find that principle there will still be a great deal of work to do on the details. On that agreement in principle I think that the balance-sheet drawn up by Professor Hallstein is just about right.

I think, also, that we have to accept that on those matters on which agreement in principle has been reached there can be no jogging backward at this stage. I think it should be faced frankly that it is not possible for us to reopen the principle on a lot of matters which have been settled already. In only one case, I think, may this be justified—the question of Indian manufactures and semi-manufactures, and not only India but Asia generally, because there I consider that there has been a genuine misunderstanding. Otherwise, there is no explanation of what has happened in the course of the last fortnight. But on the other matters I cannot see that there is anything to be gained in going back over the principles which have been reached.

One of Professor Hallstein's principles, which I think is so much in principle as to be almost meaningless, is the question of special agreement, special status or special arrangements to be made for New Zealand. I agree, of course, that he is right and he has every justification for putting it down, as it were, on the credit side. It has been agreed that there will be special arrangements for New Zealand. But what those special arrangements will be, even in the broadest outline, we do not know. I think it would be helpful if, at this stage, the Six could give us some indication—not, of course, in détail—of precisely how they propose to treat the New Zealand question. Even in an agreement in principle it is not enough merely to say that there will be special arrangements for New Zealand and then expect New Zealand to be completely satisfied.

One point on which I disagree fairly strongly with Mr. Brown is the suggestion that we should reopen the question of the associated overseas territories. I do not believe that this would be wise. It is, of course, perfectly true, as Mr. Brown said, that the African States of British expression, if we can call them that—it is cumbersome, but almost the only way to distinguish them from the others—are free to accept or reject associate status under the agreement reached under the Treaty of Rome. But Mr. Brown went further and said that if they rejected it there was still an obligation on us to find some other solution. Of course, I know we should be wise to try to

find some other solution. That would be in our own interests. But I cannot see that there will be any obligation upon the United Kingdom—or upon the Six for that matter—to try to find another solution if they reject the best available solution, for whatever reason they may reject it. It is a solution which, I understand, has been accepted by most of the other African States.

Of course, the decision to reject is a free one which they are perfectly entitled to take. But surely it carries with it the responsibility for everything which flows from such a decision. I hope that we shall make every effort to find some alternative settlement which may be agreeable to them, but I cannot support that point as being, as it were, the breaking-point of negotiations at this stage. I think it would be most unfortunate if, having with great difficulty reached the agreement which has been reached on this matter, it should be completely reopened on this point.

It is difficult to say which is possibly the most important of the matters outstanding on Professor Hallstein's list. Most of us would, I think, agree that the most difficult as opposed to the most important is the question of imported food-stuffs from the temperate zone. Yet even here I have the impression that a great deal more progress has been made than the general public appears to assume. So far as I can see, the immediate point at issue is not what the general scheme of things is to be—that appears to be world commodity agreements, and I believe that most of us would be in agreement with this. Nor is it what the transitional scheme is to be. That, also, is agreed. It is what is to happen after the transitional period comes to an end and before general agreements have been reached. This is, apparently, a comparatively minor point but it may, nevertheless, be the key to the whole of the negotiations. It is something which may have to be faced because it is a matter of principle.

It is not good enough to agree to have world commodity agreements or to agree to support negotiations for them at an early date if there is to be, as it were, a gap between the time when the present agreements cease to be effective and the time

when the new agreements come into force. Though we all know that the Community has agreed that it will treat the matter very favourably from our and the Commonwealth's point of view, we do need to know a little bit more.

On the question of food and vegetable production in Great Britain, which, curiously enough, comes first in the list of Professor Hallstein's unsettled matters, a lot of the settlement lies in our own hands. It has never seemed to me that the United Kingdom has really tackled the whole question of horticulture with the spirit in which we should. On the general series of nil and small tariffs, on the duties demanded by us, there is ample scope for negotiation and discussion.

I notice that there were omitted from Professor Hallstein's list one or two matters which will cause difficulty at later stages in the negotiations and about which we should now be thinking. One was mentioned this morning by Mr. Brown, the whole question of sugar, which obviously will raise considerable difficulties. The other point about which we should clear our minds fairly soon is the whole question of institutional arrangements which will have to be reached before we, or anyone else for that matter, can join the Treaty of Rome.

There is, I think, a perfectly understandable tendency on the part of the Six to regard the Treaty as absolutely immutable. It might be better if we regarded the spirit of the Treaty as immutable, on the one hand—the need for external tariffs and the Community institutions—and on the other we should realise that as time goes on the development and expansion of the Community will inevitably compel some modification. If Great Britain should join—this goes without saying—there would certainly have to be a modification in the voting procedures. It is impossible to accommodate a seventh country in a voting procedure set up for six. Equally, should Norway, Ireland and Denmark also join, further modifications or simultaneous modifications will have to be made.

If it can be done there, and provided the basic principle of

the Treaty is not touched, I think that there is scope in other spheres as well for a slight easing. But, obviously, this will be a matter which will cause considerable difficulty at a later stage. So far as I am aware, the negotiators have not touched on the question of institutions. Nor have they dealt with a number of other questions which obviously will arise. In fact, there is still an immense amount of work to be done, and for that reason I disagree profoundly with Mr. Brown when he says that there is no hurry.

The present state of uncertainty has been going on now for over 12 months and it is extremely dangerous not only economically, but politically as well. A number of economic projects in Britain, in the Commonwealth and EFTA countries and even in the Six are waiting on the decision which will be taken whether we can join the Community. A large number of political projects —some have been mentioned; for example, the future shape of the Western alliance—also depend on this decision. They cannot be held up for ever. There is a real need for an urgent conclusion.

Most of the groundwork has now been done at Brussels. I regret that the negotiations had to be broken off in August before general agreement in principle had been reached. But bearing in mind that agreement in principle has not yet been reached, and that when it has been reached it will inevitably be followed by considerable detailed discussion, the need for speed becomes self-evident.

I hope, therefore, that there will be no more long adjournments. I realise that those taking part in the negotiations are human and must have rest and holidays, and have other things to do. Nevertheless, the Six themselves have shown on occasion that, if they are prepared really to sit down and thrash things out, they can get ahead with surprising speed. I hope that, now that the holidays and the Commonwealth Conference are over, the negotiators can get back to work and get on with the job as fast as they possibly can.

One other matter which one must mention in connection with the framework that is being built up is the fear of political union, which is very strongly felt not only in my country but in some of the non-committed countries of Europe as well. It is quite rightly pointed out that the Community is political already. Professor Hallstein, in a remark which is often quoted, I think, in the wrong context in my country, has made this point quite clear. But the need for some kind of political union in Europe springs, I suppose, from the feeling that the economic cornerstone will never really be effective unless some superstructure is built upon it.

The British Government have accepted the need for political union and wish to play their full part in it. Mr. Heath outlined our ideas on this subject—which are not, I think, very far removed from those of some Members of the Six—at a meeting of the Council of Western European Union on the 10th April. I find it a little difficult to understand, therefore, why in this matter there appears to be, on the part of some members of the Community, a desire to conclude a political treaty before the British come in.

We have made our position quite plain. So far as I know, it does not diverge very far from anybody else's. We have at the moment all the political exchanges in organisations such as Western European Union, where normal political business can be carried on. If, in the normal course of events, political union were to grow before we came in, nobody would be more pleased than we would be. But the trend appears to be towards a race to see whether we can complete the negotiations before someone else completes a political treaty, and we find this difficult to understand. If we can be enlightened on that point it will be helpful.

The immutability of the spirit of the Community is something which I think we all accept. At the same time we must realise that the nature of the Community is bound to change in the same way as the nature of a man changes as he grows older, wiser and more experienced. There is sometimes, I think, if I may venture

a mild criticism, a feeling on the part of the Commission that what we have now is the best of all possible worlds and that not only would it be wrong to change it deliberately but that any sort of change in it would in itself be bad.

I think, for example, of the concluding passage of Professor Hallstein's speech when he had some sensible and interesting things to say about world agricultural problems. The provisions concerning agriculture were laid down—and I can understand this in view of the problems which the Six themselves and we ourselves have—almost as something fixed for all time. Yet surley one of the things that we want in the Community, one of the things which Britain can bring to the Community, is a change in the nature of its agricultural structure.

I do not think that there are many agriculturists in the Six who would see as ideal a situation in which anything up to 30 per cent of the population in the Six were engaged in agriculture. Perhaps 5 per cent is too little, but there is a case in nearly all the member countries of the Six for a drastic shift in population from the country to the towns, to go with the increased efficiency in agriculture, which seems general. This will in itself inevitably mean that the whole nature of agriculture in Europe will be changed by it. That is why we who are trying to join or have joined the Community should welcome changes of this kind. We should welcome the opportunities which we have for using the Common Market, the Community and the other institutions which have been set up not only for the benefit of Europe but for the benefit of the world as a whole.

I believe that it is in this kind of spirit that my country is negotiating to try to get in. I believe that a lot of the difficulties we have felt it necessary to raise in the negotiations arise from a desire to follow this spirit through, and I hope—indeed, I believe—that it is in this spirit also that the Governments of the Six themselves are pursuing the negotiations.

The Chairman (*E*). — I call Mr. Montini.

Mr. Montini (*I*) (Translation). — My brief remarks are prompted by considerations of a somewhat formal nature as well as by a sense of disproportion between what we are doing in these two days when the European Parliament and the Consultative Assembly are working together and what we should and could be making of this extraordinary assembly of men and institutions deeply involved in a common task which, in the final analysis, is that of European integration.

We have studied Edoardo Martino's report, interesting particularly for its introduction, which sets forth the questions of principle—questions which he expounded fully in his speech yesterday. There followed the three commentaries by Dr. Hallstein, Mr. Sassen and Mr. Malvestiti, dealing with a multitude of subjects, situations and problems, some of which are familiar to those who follow European affairs closely and some of which we should perhaps prefer to read about in the working papers relevant to the sectors concerned. The three reports all stated certain common principles which should be the real business of this joint meeting.

Our colleague Mr. Margue prepared a reply to the Martino report which was discussed in the Council of Europe Political Committee, and yesterday we heard Mr. Margue's comments on it, calling for unity of action, as well as of purpose, between our two institutions.

There is very little time for listening to all these statements, which took up the whole of yesterday, and for discussing this wealth of material, especially if we want to look into every point that interests us.

To my mind then, there is a lack of proportion in the first place between the subjects offered for our consideration and the opportunity of airing, in a more thorough debate, ideas which should be the major concern of the many politicians who are attending this special meeting in Strasbourg. But it is not really the question of time that matters most, nor would it be easy for parliamentarians of our two institutions to find sufficient time.

It is a question of co-operation between our two Assemblies, which to my mind are not adequately used for purposes transcending their respective separate spheres.

What is actually achieved by a joint meeting of the European Parliament and the Consultative Assembly?

As you all know, certain documents have now become institutions, such as the annual report of the European Parliament to the Consultative Assembly. There is also a measure of *de facto* symbiosis going on in this House of Europe. Then Mr. Margue referred to the timid but useful co-operation between corresponding committees such as the Committees dealing with cultural affairs. An attempt to enter more directly on to common political ground, which would have had beneficial repercussions even outside the Community, was also recalled by Mr. Margue when noting that a suggestion born in the Consultative Assembly in December 1961 for a "colloquy" between Ministers and parliamentarians had led to some concrete results in the Community framework.

But, on the whole, the relations between our two Assemblies, which may be said to be holding their annual festival at this autumn meeting, do not seem to me to have had the success that we European parliamentarians who come here with so many responsibilities and hopes for the future of Europe might desire.

We should all give closer consideration to ways of making our relations more fruitful, so that there shall be no danger of these meetings ending in stagnation and diminishing usefulness, however pleasant it may be to meet one another and exchange ideas.

Somebody was asking whether a vote might not be taken at the end of the Joint Meeting. A vote on what? It might be dangerous for Members of Parliament to take a vote of purely symbolic significance. But a vote would at least point towards positive action.

Do not let us forget that we share a common statutory limitation: we are still only consultative assemblies. Even though the European Parliament is much further advanced as regards its deliberative functions, we yet have great difficulty in carrying through various activities, deliberations and resolutions which have much in common and which should urge us to united action in accomplishing our labours for European unification.

May I be allowed, in all innocence, to observe that the annual report itself, the reports of the three Communities, if examined in relation to the Council of Europe's work, would provide in itself material for more constructive action by this Joint Meeting.

In his concluding remarks Dr. Hallstein said that political union meant nothing new in substance, that economic integration essentially bears a political stamp, as witness customs policy, trade policy, transport policy, agricultural policy, *etc.*, and he added that in effect political union would mean only a change of dimension.

Apart from any doubts we may have in regard to this notion, which seems too bound up with the economic "integrationalist" idea, it may be asked where and by whom this change is to be made.

Will it be determined purely by historical circumstance? Will it be done exclusively through diplomatic channels and personal or bilateral talks? In reply to Dr. Hallstein's strict criterion (that we must always ask ourselves whether what we are doing will serve to promote European union in the most vital sectors or whether the new projects will create a diversion or a dispersal of effort to the detriment of what has already been achieved), we may well ask the naïve but fundamental question: Who is to be the judge of Dr. Hallstein's criterion? Who is to be the judge of Europe's progress or lack of progress towards effective integration?

I do not wish to make any formal suggestions as to how

our efforts should be organised. But I must point out that, as has already been noted, our two Assemblies no longer even have members in common. It is not a good thing; it is another symptom of the disproportion between intentions and positive action.

To conclude, I think that there is at least a case for a free committee of our members in common, which we might simply call a body for public relations between ourselves (and also with those who watch us meeting in Strasbourg and who judge us more by the time we take to accomplish anything) to study the reports and present them in summary form for discussion, to select the work to be undertaken in common and to keep alive the idea, which can never be effaced from the mind of the public, that there is only one kind of member of parliament—one who assumes full political responsibility and exercises full political control.

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

The Chairman (*E*). — I call Mr. Czernetz.

Mr. Czernetz (*Austria*) (*G*) (Translation). — I should like first briefly to express my satisfaction at the fact that we have been able once more to hold a joint session of the Consultative Assembly of the Council of Europe and the European Parliament of EEC. The concluding remarks of our friend Montini concerning the strengthening of the co-operation between our two Assemblies and the proposals he made to this end should induce us closely to examine the possibility of such closer co-operation.

I view this session in the same light as the Belgian Foreign Minister, Mr. Spaak, viewed the Council of Europe at the latter's May session. Spaak described the Council as the place where the Six could meet the other European countries, and I regard this Joint Meeting as the place where a meeting of minds takes place in an enlarged and strengthened form. I am very glad that we were able to hear Dr. Hallstein and the members of the three Executives of the Communities and that we had an opportunity of exchanging views.

As an Austrian Member of Parliament I think I ought to adopt a definite position. This is as necessary in my case as in that of my fellow-countryman, Mr. Toncic, but I find it somewhat difficult to do so in the present situation. Dr. Hallstein has referred to the applications made by the three European neutral countries for association with the Community. His comments on the present state of the preliminary discussions were distinctly sober. Indeed, one could almost say that he has adopted a "neutral" attitude. This I can understand—and I must say that this attitude is more satisfactory than some of the observations concerning the attitude of the EEC towards the Neutrals made in the otherwise excellent report of the European Parliament presented by Mr. Edoardo Martino. In this respect I fully agree with the criticisms made by the *rapporteur* for the Consultative Assembly, Mr. Margue. Since the May Session of the Council of Europe, and the statements made by Mr. Spaak, we had been hoping that the very unwelcome campaign against the association of the three Neutrals had, to some extent, died down. I was, therefore, astonished at the rather unfortunate remarks contained in Mr. Martino's report. Surely no one in the three neutral countries disputes the fact that not only in the case of the full Members but also that of the associated countries there must be a fair balance between rights and obligations.

It has therefore been a bitter experience for us to read the regrettable remarks concerning the neutral countries, in the report of the European Parliament I have just mentioned. The gist of these remarks was indeed that the Neutrals should not try to "get something for nothing."

The most recent statistics show that in 1961 in its trade relations with the three European neutral countries the EEC had an export surplus of 1,440 million dollars. Over the same period, the EEC had a foreign trade deficit of 1,820 million dollars *vis-à-vis* the United States. Thus these three small neutral countries made it possible for the Six to cover three-quarters of their deficit with the United States. It may be somewhat superflous to mention that it is precisely these three States that are described as wanting "to get something for nothing."

Dr. Hallstein has rightly pointed out that it is premature to express an opinion at a time when, of these three countries, only two have so far made an approach to Brussels (Switzerland is to follow suit this month). But, speaking as an Austrian Member of Parliament, may I express the hope that the negotiations will open shortly and be conducted in the same spirit as the first meeting between the Austrian representatives and the Council of Ministers of the EEC?

In this connection, I should like to thank Mr. Brown for his statement this morning, in which he expressed the United Kingdom's solidarity with the other EFTA countries. Although Mr. Kirk did not mention this, I take it for granted that both the major political parties of that country intend to respect their obligations towards the United Kingdom's EFTA partners in the forthcoming negotiations.

I agree with my fellow-countryman Mr. Toncic that we Austrians are firmly resolved to participate in European integration, which is very much in our interest, while, at the same time, fulfilling the obligations that derive from our neutral status. I am sure that the other Austrian Members present will fully agree with me when I say that this resolve reflects the common policy of the Austrian Government and of the parties represented in it.

Here I would ask Austria's friends and negotiation partners not to read too much into the "atmospherics", rhetoric and propaganda generated by the Austrian general elections during the next few weeks and months. The policy I have just referred to is the common policy of the present governmental parties and will undoubtedly be approved by an overwhelming majority of the Austrian electorate.

Mr. Chairman, as an Austrian Member of Parliament in this European Assembly, I believe that it is my duty to view the situation not only from the Austrian point of view but also from a broader European European angle in relation to the problems of the free world as a whole.

In his report yesterday, Dr. Hallstein presented us with a real success story. He painted in glowing colours a picture of an idyllic European landscape under a cloudless sky. I can fully understand his being so proud of the successes and progress that have been achieved. But then he only showed us the favourable features of this picture. I am almost sorry to have to spoil this idyllic picture, but I believe that in a parliamentary forum it is the duty of a parliamentarian to say what he thinks . A parliamentary forum is not a holy shrine where one must speak in awed whispers. It is up to us openly to say what Governments and executive authorities cannot or do not wish to say.

That is why I think it my duty to point out that, despite the great progress and success achieved by the European Community, there is uncertainty and disquiet concerning further developments in Europe.

This anxiety stems mainly from the fact that the unity of Europe is being achieved in a divided world, a very contradictory development. The division of the world and the Cold War have been a major stimulus to the process of European unification and economic and political integration. Without the Cold War or the present division of the world, we should not have got where we are now. The fact remains that the divided world in which we live is creating special problems in Europe and throughout the world. In Europe, this division has given rise to the problem of the three Neutrals to which I briefly referred a moment ago. These three countries are democratic "westward-looking" States wedged between the two military *blocs*. They feel that they belong to the free world but they also realise that in the present situation their neutrality is fundamental to their very existence.

Now, coming to the world-wide problems, there is, first of all, that of the Commonwealth. We Austrians are not directly affected by it but as members of the free world we are very interested to know what is going on. Frankly speaking I fully understand the attitude of the representatives of the Six, the members of the Assembly and the members of the Executive

headed by Dr. Hallstein. I understand their anxiety to speed up the process of intensive integration and to speed it up even further. On the other hand I also understand the problems which Mr. Brown mentioned in his speech to-day concerning the Commonwealth and which were also referred to in Mr. Kirk's speech, though with a difference of emphasis. Still, the problems remain the same.

As recently as last week when I attended an International Socialist Conference it came to me as a shock to learn of the anxiety of nearly all the Commonwealth countries. The Indian representative to this Conference said: "Of what importance is the compensation India has been promised in the negotiations as regards its exports? In the last ten years India's population has risen by nearly 25 per cent and our standard of living is not rising but falling." In the view of the Indian Government, India's industrial exports will have to be trebled by 1970 if its present standard of living is to be maintained or perhaps even slightly improved. Hence if comparable outlets for industrial commodities are guaranteed at the present level this would be tantamount to a sentence of death.

This attitude was shared by representatives of the other Commonwealth countries. One representative from Singapore said: "We do not expect Britain's accession to the EEC to have any unfavourable consequences for us since we carry on roughly as much trade with the EEC as with Great Britain. Hence, if anything, it would be to our advantage if Britain joined. However, we are neighbours of India and Pakistan. If the economic development of these countries is hampered, if they cannot make any progress, what will become of democracy in South-east Asia? How shall we be able to protect ourselves against Communism?" Thus, the representatives of Singapore who were not directly affected by this issue wondered how the free world could be defended if hundreds of millions of Asians thought it foolish to resist Russian and Chinese pressure.

In this connection, I should like to mention a cartoon which recently appeared in *The Times of India*. It shows a balloon up in

the air. The passengers in the gondola are the Ministers of the Six and also a British Minister, who is seen holding—and about to drop—an Indian out of the gondola. And the British Minister says to the Indian: "Don't be afraid, my friend, you will have a soft fall". . . This is the problem by which the Indians are preoccupied. We cannot remain indifferent to it. It is not sufficient to say that, once the United Kingdom becomes a Member of EEC, all will come right. Our friend Kirk, too, has dealt with these problems—though his point of view is different from that of the member of the British Opposition, George Brown.

Everyone says that the Commonwealth must be preserved. Dr. Hallstein said this, too, yesterday, though his main point was that 'Britain's accession to EEC will involve her transfer from the Commonwealth preference area to that of the EEC'. But can the Commonwealth continue to exist if the Commonwealth preference area goes? This is a decisive problem which, though it does not directly affect Austria, but is of indirect importance to all in Europe and throughout the free world.

As parliamentarians, we must not lose sight of the fact that there are strong forces which are seeking to keep the United Kingdom out of the EEC. It is clear to us all that these forces would allow the United Kingdom to come into EEC only if it is morally, politically and economically weakened. Many would welcome the United Kingdom's entry into the EEC but only if it has broken its pledges, lost the Commonwealth and been reduced to weakened and humiliating circumstances. I am convinced that this is not the view of Dr. Hallstein and the Executives. But Dr. Hallstein realises as much as we do that these dangerous forces do exist. Furthermore, this risky policy inside Europe is also designed to keep America out of Europe.

There is no doubt that the Community faces serious problems, even if these do not obviously emerge from the reports. The expansion of EEC would add to the problems. I can fully understand the fear that expansion might slow down the development of the Community. In this connection the failure of the efforts to create a multilateral association is highly regrettable.

Two years ago, in this Assembly Hall, Dr. Hallstein explained his attitude to the proposal of the Austrian Minister Mr. Kreisky, who had advocated the conclusion of a European skeleton agreement on which a whole series of separate bilateral agreements could be based. Professor Hallstein welcomed this proposal and said that he was willing to consider it. The EEC Commission too, no doubt realises how much easier it would have been for the EEC and for the others if we had been able to set up a multilateral association on the lines of this proposal and the Recommendations or Resolutions adopted by the Consultative Assembly of the Council of Europe at that time. I am almost tempted to apologise for pointing out that it is probably the very forces which made it impossible to create a free trade area or a multilateral association or to conclude a skeleton agreement that are now making it more and more difficult for the British to find a common solution.

I am all the more pleased, therefore, to expresse my satisfaction at the report presented in the Council of Europe by the former French Prime Minister Mr. Pflimlin, which recommends a solution of this problem by the creation of a differentiated integration system consisting, as it were, of concentric circles of integrated institutions permitting a connection between the intensive and other forms of integration, in short, the establishment of a twin "Community-Partnership" system.

I hope that in the coming weeks and months the spirit of European responsibility and reason will prevail. I also hope that we shall be able to achieve a comprehensive European unity pattern which will give real expression of our European interdependence and provide a basis for an Atlantic and free world partnership. (*Applause.*)

(*Lord Crathorne took the place of Mr. Federspiel in the Chair.*)

The Chairman. — I call Mr. Birkelbach.

Mr. Birkelbach (*Federal Republic of Germany*) (*G*) (Translation). — Mr. Chairman, I should like, with your per-

mission, to make a few remarks. I want to make it clear from the outset that these are my own personal opinions and that they are meant to help clear away any misunderstanding or confusion there may be in a very limited field. I do not intend to expatiate on all the political questions that have been touched upon, but I should like to go into one point a little more thoroughly.

With regard to certain questions, we have in past years had very little opportunity to give serious thought to the question how the answers would work out in practice. One of these problems is that of the association of highly industrialised European States with the European Economic Community.

If the European Parliament has made an attempt to sum up certain trends of thought, it was in order to get away from general political considerations and think out the problem in more detail. No one can claim to have considered every one of its aspects correctly from the beginning. It is time, in the current discussions, that we gave up stating the problem in the form: is neutrality the right policy or the wrong policy, is it worth a lot or not so much? That is not the subject under discussion, and we should exclude it from our debates. It is a question which must be answered in the places where that kind of policy is formulated.

The point is rather to establish which nations and countries, though highly industrialised, nevertheless consider that for political reasons—whatever these may be—they cannot join the European Economic Community. The second question is: what can be done to avoid giving the impression that an attempt is being made, by withholding advantages and doing nothing to remove disadvantages, to exert a certain pressure on particular states in order to influence their political policy?

Covering as it does the greater part of free Europe, the European Economic Community must never forget its obligations to Europe as a whole and its responsibility as regards European solidarity, and it must act accordingly.

Then there is the question: What other forms of closer association, besides membership, could be instituted between a number of advanced and highly industrialised European countries and the European Economic Community without impairing EEC's freedom af action or hindering its development? That, in my view, is the fundamental question.

Referring to the possible entry of Great Britain into the Common Market, Dr. Hallstein expressed himself in the following terms:

> "This success"—the fact that membership is being negotiated—"is due primarily to the established system of community trade. This system will not bear dilution; it represents the essential minimum. To abandon any part of it would be to jeopardize past achievements and future prospects."

I must say, one really needs some insight into the Community's internal policy structure and methods in order to understand why one should speak here of a minimum. As a parliamentarian, I would say that Dr. Hallstein chose his words very carefully, because he, naturally, does not want to let it be known that the negotiations now in progress and many other things besides must be used as a means of improving the existing machine and strengthening its freedom for action.

On the other hand, we as parliamentarians must make this demand, but not because we are, so to speak, "European doctrinaires" chasing after every shadow; it follows from definite fundamental requirements. Thus, it is an obvious requirement that we should, first of all, create and organise a wider economic unit, free to act not only in the interests of the present partners but also in the interests of others who wish to be linked with that economic unit or simply to establish trading relations with it. This is a most important aspect of the matter.

Other speakers today have asked the question: Why has EEC not yet managed to do this? Why has no progress yet been made

in this field, even in the negotiations with Great Britain? My answer to this would be: If the European Economic Community's freedom of action had been more carefully provided for, if individual national Governments had not imposed their veto at certain stages, this demand would be justified. Those who were so hesitant on this score are therefore in a very difficult situation. From the outside the European Economic Community appears to them much more of a unit than it actually is when seen from the inside.

In the essential questions it is necessary to reduce not only the six Governments but also the Commission to a common denominator and then see what headway can be made with a prospective partner. Each veto, each obstructive move by a Government entails wearisome negotiation and interminable procedure before an understanding can be reached.

I think we must affirm that the European Parliament is generally agreed that the logical implication of the Rome Treaty, in regard to certain questions, is to weaken the position of national Governments and strengthen that of the Community organ. That follows logically from the Treaty. I think we must realise by now that it can function only if the European Commission, and not the Council of Ministers, is regarded as the Community organ, the authority with the last word, the organ on which the main responsibility devolves and which must therefore have an appropriate status.

Someone might well retort: why such theoretical arguments? Well, if one takes this view and reflects on forms of association, certain definite conclusions follow. The criterion for judging the form of association is deducible from this view of the necessary evolution.

I should like here to emphasize once more why we are so jealous of this freedom of action. It is because, for example, in the negotiations over the Agreement with Greece, we detected certain consequences which, externally as well as internally, are now becoming more noticeable. Internally, in that, as it seems

to many parliamentarians, including myself, the document in which the six Governments lay down their procedure for reaching decisions and conducting discussion in the Association Council imposes on the Commission a subordinate and diminished role in practice compared with that attributed to it in the Treaty.

The Governments, *i.e.* the Ministers, are to reach their decisions—or at least come to an understanding—after hearing the Commission (literally, "after obtaining the opinion of the Commission") whereas the Treaties contain specific rules as to how certain decisions shall be taken on the proposal of the Commission. Although the Agreement with Greece was seen to involve damage to certain interests, many parliamentarians, including myself, held that in the case of association, when it is regarded in effect as an intermediate step towards full membership one can, in certain circumstances, accept arrangements such as are unacceptable when one knows that there is no long-term prospect of full membership. It must, I think, be clearly recognised that certain consequences follow from the facts that the object here is the establishment of a customs union and that a customs union has got to work. I feel it is important that everyone should be clearly aware of these consequences as they are presented in a frequently quoted publication of the League of Nations. The quotation reads:

> "When there is free movement of goods, persons and capital in any area, diverse economic policies concerned with maintaining economic activity cannot be pursued. To assure uniformity of policy some political mechanism is required. The greater the interference of the State in economic life, the greater must be the political integration within a customs union."

If this principle is taken to its logical conclusion, then it is not immaterial to determine the nature of the adaptation that will be needed to bring about the inclusion in a customs union or preferential system. I believe therefore that the real question we are discussing is: what possible forms of association are there

—including those of an institutional nature—that will neither prejudice the Community's freedom of action nor react adversely on the economy and political scene in prospective associated countries? What forms are conceivable, and what patterns can be proposed for discussion?

If we were to begin discussing patterns now, I believe that much of what is continually being put down in the discussions to ill will would be dispelled. The concrete arrangements must also be carefully thought out. I would repeat once more that many believe it to be in the interest of all prospective partners—including the great Indian nation, Mr. Czernetz—that the Community should have freedom of action, in internal matters as well as external. If we can ensure that a high level of demand is maintained in the highly industrialised part of Europe, if we can protect ourselves against commercial and other forms of invasion, if through such collaboration we can see to it that the largest world trade partnership can function, then we shall, in quite a different way from what was originally conceivable, be given the opportunity to pursue a development policy and pay attention to those arguments which have been used to support the trade policy. For, in addition to wondering whether we should find markets for our products, we have all in the past been constantly concerned about how we could prevent the exports of States dependent on development aid from being exposed to fortuitous price fluctuations which reduce their total earnings despite increased production and exports. Here there would be factors making for stabilisation if such a trade area is given freedom of action.

How are such possibilities to be realised? How are the individual problems of particular countries to be handled?

The question is said to be whether or not to establish an association with the neutral countries. I would ask you to forget about the concept "neutral" and consider first what solutions are technically reconciliable with the continued economic expansion of Europe. The question is not whether anyone is hoping to pull out the plums. The point is rather that the manner in which

specific questions are settled may result in the partnership being finally fitted into the pattern of European development even against the partner's will. Let me give you an example. In the Federal Republic of Germany there is now some argument as to whether the European Commission was exercising its discretion properly in refusing to increase a certain spirits quota, and whether it acted correctly in not raising the duty-free import quota for oranges. This is an issue which no longer concerns the German Federal Government alone but is referred to the European Commission.

Will the European Commission be allowed a say in the question of a customs union? How must the machinery be constructed in order to ensure that the whole thing will work over the long term? What is going to happen when, as laid down in the Treaty, the European Economic Community having advanced to a new stage of evolution, the Council of Ministers will in many cases have to act by majority decision? What kind of association agreements can be concluded which will not in practice entail reverting from these majority decisions to unanimous decisions once again?

These are the real problems. They must be tackled much more resolutely than hitherto. If one then goes on to consider whether or not a right of denunciation can be admitted, asking the question: Can a right of denunciation in general be granted? Many will reply that such a right cannot be made general; one can conceive of a specific situation in which a neutral country might consider, say, suspending certain particular obligations; but nothing of a general nature, such as has been under discussion hitherto, can be conceded automatically in an integrated community without endangering the frontier region—and perhaps much more besides, in fact the immediate neighbours.

I have mentioned these matters in order to forestall any tendency to depict them merely in black and white. In documents already referred to here, very subtle reasons and explanations have been offered. It is not said, for instance, that the European Parliament believes an association with the developing

countries to be possible only in the form of a customs union, but simply that association is particularly designed for developing countries. This means that the customs union solution is not ruled out. But it also means that the political problems encountered when merely aiming at association or establishing a customs union or free trade area are broadly similar to those which arise when full membership is contemplated.

The term "similar" merits closer examination. One cannot simply pretend that the discussion ends there; the real discussion is only just beginning, for, as we see it, it is the subtle differences that are all-important.

I have drawn attention to the points of view which have given rise to discussions in the European Parliament in the hope that it will lead to a carful debate on the individual solutions possible, for we must not be content to state baldly that such and such are the aims.

If I have stressed these points so strongly, it is also because I believe that emphasis on the political aspects of the European Economic Community will guard against the attempt, which has become more determined in recent months, to separate the economic from the political so to speak, to act as if the ultimate aim were simply to make the European Economic Community just one technical economic organisation among others.

Such a trend should not, in our view, be encouraged. I believe that a certain confusion is already being fostered here through the choice of terms, namely when it is said that the aim is the establishment of political union, thus implying that everything else is purely economic.

In actual fact discussion of a real political union has not even started yet. We are only at the stage of considering what statutory form is to be given to regular conferences of Heads of State or Government, convened to deal with the non-economic aspects, foreign and defence policy, and certain cultural questions.

We European parliamentarians must make it clear that this would be the wrong way to go about it, for it would lead to what has already been described in this Hall as a "superimposed structure," which would in due course virtually reduce the role of the European Economic Community to that of a technical organisation.

We believe that the European Economic Community is the starting-point for European unification and that there can be no turning back. Moreover, the European Economic Community must not become just a common instrument for the conservation of trading advantages. The European Economic Community really represents *the* decisive step towards European political unity.

Political unification is a lengthy process which can be carried forward, for the benefit of the whole of Europe, by mutual understanding, and also, of course, by argument, but not by talking at cross-purposes. We are therefore no longer concerned with general considerations, we must now get to grips with the actual problems. I believe that it would be useful to investigate suitable patterns for institutional rules. I would therefore make the plea that, in future, general considerations be subordinated to the need to devise practical solutions.

The Chairman. — I call Mr. Lannung.

Mr. Lannung (*Denmark*). — May I start with a reference to a specific point which I have at heart? Our *Rapporteur* Mr. Margue, on page 2 of his report, speaks of co-operation between the two Assemblies in the scientific field, and expresses the hope that they will work jointly in it. On page 4 he endorses the proposition that the University of Florence should not be limited to the Six but should be open to all European States.

I whole-heartedly welcome the statement of these principles involving co-operation on the broadest possible level, but I hope that we can all agree to act in the same way as far as co-operation in the legal field—in the harmonisation and unification of laws—

is concerned. Here, co-operation should be undertaken on a 16-Power basis or at least on the widest possible basis, for experience shows that it is difficult to extend to a large degree legal instruments worked out and agreed to by small groups of States. So it is in the true interests of the European Communities that, as far as possible, the unification and harmonisation of laws and similar measures should be undertaken on as wide a basis as possible. Let us try also to avoid new disparities occurring.

Sometimes I am tempted to wonder if we—my colleagues and I—in these two Assemblies meeting here today are sufficiently conscious of the enormous importance of the times in which we live. The fact is that the European Communities which have for five years now consisted of six countries only are about to transform themselves, if our wills are sufficiently strong, into Communities of not less than ten full members and six associated members, in addition to Greece which is already an associate member.

It is a transformation which is really of huge dimensions, and the simple question which faces our meeting is: are we in favour of this great change or not? Can a message go out to all those engaged in the various inter-governmental organisations that we members of both Assemblies want and support this great change?

I have the impression, listening to the speeches of my friends and colleagues on these benches, that some of them are not quite sure where they stand. They tend to point to certain dangers on the one side and to certain advantages on the other without, however, indicating which way they would cast their votes if they had to do so.

I hope that we as European Members of Parliament will realise fully our responsibilities in these historic days and, of course, as a Dane it is my hope that we will all unite in a call to the Governments of our countries to work as speedily as possible for the expansion of the Common Market and the realisation of the greater Europe we have wanted since 1949. This is a matter

of paramount importance and urgency, the alternative which otherwise will confront us being little short of disaster.

This is the moment when our hopes of 1949 for a greater Europe, thwarted for many years but kept alive in a way by the formation of the six-Power Communities from 1952 onwards owing to Mr. Schuman and his noble band—this is the moment, I say, when the greater Europe which we have so long wanted can be achieved. It is of decisive importance that we should all realise what is at stake here, that the issue is a vital one for Western Europe and the whole of the free world.

A split Europe will be a retrograde step, the economic and political consequences of which are unpredictable. I hope, therefore, that the Assembly of the Council of Europe and the European Parliament will not be shy of shouldering their responsibilities.

Perhaps I will be forgiven if for a moment I refer to Mr. Pflimlin's excellent report. I do so not only because, unfortunately, I have to leave at the end of the week to go to the United Nations General Assembly, where I am to represent my country, but also because it is relevant to our discussion in this Joint Meeting. He speaks in his report of the need to work out what he calls a "differentiated" system of European unification. I am not sure what is meant by this. I do not quite see how this system is to work. I know that four countries—Britain, Norway, Ireland and Denmark—have applied for full membership of the EEC and want to join in the political co-operation. Three countries—the three Neutrals—want to be simply associated with the Treaty of Rome. Where, then, does the differentiated system come in? I do not see it.

I can expand on the position of my own country. Denmark has asked for negotiations with a view to her full accession to the European Economic Community, provided that the United Kingdom also becomes a member. That is well known. Our Government is also in favour of joining in European political co-operation. It may be said that what the United Kingdom is ready to do in

this respect we will be prepared to do also. The intention of the United Kingdom as regards political co-operation has been clearly stated.

I know that some of my colleagues may wonder whether we Danes fully realise the implications of the proposed European union as it is being worked out in the Cattani Committee. Perhaps Mr. Pflimlin's remark, which, with permission, I quote —"Are we really prepared to abide by the decisions, taken by a majority, of political organs responsible to an assembly elected by universal suffrage?"— is for us Danes also. To put matters in so concrete a form is to my mind not entirely realistic in view of the position adopted by some Governments who are members of the Six. But in general terms, however, I repeat that Denmark wishes to take part in political as well as economic integration.

As I see it, it is in the long run impossible to manage a really Common Market entailing a growing degree of supranationality—or, perhaps, it would be better for me to use the new and better wording, "Community decisions"— if it is not based on a "common" general policy. We cannot have a "European" executive for economic and social affairs working with and through purely "national" executives for political affairs. I hope that this will help to clarify the situation for some of our continental colleagues here.

In short, Denmark wishes to accede to the EEC and, in my view, will follow Britain into a European political union. That being so—and I believe that Ireland and Norway are in the same position—I confess that I do not quite see what the differentiated system of unification means exactly in practice.

It is rumoured, however, that some people even contemplate a situation where the United Kingdom alone would be admitted as a full member of the EEC while other applicants for full membership—Norway, Ireland and Denmark—would be given only associate status. This is quite unacceptable from the Danish point of view. It would be very useful to have this bad rumour dispelled, to have it killed here and now.

Whatever a differentiated system means, I should like this Assembly to go on record as standing by the principle that no European State wishing to become a full member of the European Communities or any other form of European integration will be kept outside.

I have a feeling that whereas in the early 1950's the maximum amount of integration went on among the maximum number of countries, now we face a situation where there is reluctance on the part of some of the old partners to let in new entrants.

Even Professor Hallstein said yesterday that the criterion for judging a new application is whether it will strengthen the Community. Judged on this basis, some might doubt if an application from, say, our Icelandic friends, for instance, or, indeed, even the application already made by Turkey, could be entertained—a view I personally could not share—yet they must be entertained. All European countries are entitled to take part in the process of European integration, even if it means additional temporary weaknesses for the whole. In my opinion, no one has any right to keep European countries outside the system once they, too, express the desire to join and help to build a United Europe.

It is part of our duty here and the duty of the six-Power Communities to encourage everywhere, in the European States that have lagged behind, all those forces working for European unity. They face enormous difficulties, and help and encouragement from Strasbourg, Brussels and Luxembourg are needed by them. We all realise that.

To conclude, I should like to repeat once more that my country wishes to take her full part in both economic and political integration and to help to bring about a wider united European Community including, if possible, all the States represented in the Council of Europe.

(*Mr. Federspiel replaced Lord Crathorne in the Chair.*)

The Chairman. — I call Mr. Oran.

Mr. Oran (*Turkey*). — I have the great honour and pleasure to thank Mr. George Margue for his most remarkable speech in replying, in the name of the Consultative Assembly of the Council of Europe, to the report which Mr. Martino presented yesterday. I am grateful to him particularly for his deep understanding of the position of Turkey, for his emphasis on her great effort not only for her own defence, but also in favour of the defence of Europe as a whole. Turkey feels that the solidarity between the nations forming the European union is of paramount importance, and considers herself as an indispensable part of this union. We believe that this union is urgently needed for the victory of peace in the global struggle of the future.

The European union must be equipped not only materially but morally. The Europeans must find ways and methods to transcend regional interests and considerations. A divided Europe constitutes a danger for the peaceful world of the future. The official reports show that the endeavours of the Six to form a Common Market are giving positive results. This is a success. Turkey manifested her belief in the success of the EEC and asked to take part in this common endeavour before other nations applied for full or associate membership. It is therefore imperative that she should benefit from the successes of the European Economic Community. I hope that a formula may be found so that the three neutral countries may also join the family.

We cannot conceive of a European union without Great Britain. Likewise it is difficult to conceive a European Common Market reaching its desired goal without the participation of Great Britain. The participation of Northern European countries which have close ties with Great Britain in the European market will strengthen the integration of Europe. The participation of Turkey, forming the south-eastern wing of Europe, in the Common Market will have special significance and importance.

Turkey is successfully practising an internal policy of peace and stability. She has found a way to terminate the phase of

revolution, to establish a parliamentary system and to pursue a policy of development of the country in freedom. A Turkey which is taking part in the common material and moral defence front of the free world in south-eastern Europe forms a very important asset for the community of free nations. In the same way Turkey must be considered as a dependable supporting point for the political integration of Europe.

It is well known that Turkey is bearing a quite heavy load in this common cause. The support that Turkey is securing for the European union will increase in proportion to her economic and social progress and with her leaving the ranks of the less developed nations and becoming a prosperous and advanced country. We know very well that our demand to enter the Common Market is considered favourably by the Six. Quite positive developments have taken place recently. But let us add immediately that this is not enough. The best investment for European economic integration is the immediate acceptance of Turkey as an associate member of this union. The truth will be seen plainly the moment we compare the sacrifices born by Turkey for the defence and political integration of Europe with the burden borne by other countries. Therefore, we expect sacrifices from the Six in the field of economic integration.

At a time when a wall of shame is standing in the centre of Europe the representatives of free nations must be more than ever united, trusting and understanding each other. We expect this spirit of understanding and trust from the representatives of the Six as well as from all responsible Europeans.

The Chairman. — Are there any more speakers in the debate?

The debate is closed.

I ask Mr. Edoardo Martino to reply as *Rapporteur* for the European Parliament.

Mr. Edoardo Martino (*I*) (Translation). — The debate now drawing to a close has come fully up to the standard of its

predecessors. Indeed, the variety of the speeches, the cogency of the arguments, the lofty tone, the unambiguous attitudes and, finally, the broad, concise survey presented to us in the addresses of the Presidents of our Communities strengthen the conviction I expressed here yesterday that this confrontation of views between the members of the two Asssmblies is an ideal occasion for a joint examination of problems affecting the lives of our peoples and, at the same time, a means of continuing on our way fortified by greater knowledge and understanding.

I would say that two *leitmotifs* have run through this Ninth Joint Meeting: the accession of Great Britain to the Common Market, and the special position of the neutral countries. Or we might call it a theme and variations.

Speakers have concentrated mainly on the importance of the enlargement of the Community and even—like Mr. Brown—on the urgency of taking the decisions involved.

We felt a little disappointment in the air over the interruption of the negotiations between the Six and the United Kingdom, regarding which certain sections of the Press have spoken of a break or crisis.

Now, the tendency to dramatisation shown in connexion with the last summer session of the Conference between the United Kingdom and the member States of the Community on British entry into the Common Market is quite understandable from the journalistic angle; yet it must be stated that there was no drama.

Great Britain had asked—with an eye to the Commonwealth Conference which opened on 10th September and is still in session —for a comprehensive picture of the possible solutions to all the problems involved in her accession to the Community; but, owing to the shortness of time, the complexity of the problems and some disagreements among the negotiators, it was not possible to draw up such a general blueprint. That was all. As you see, the conventions, the situation and the plot that go to make up

an Elizabethan tragedy (since we are concerned with England) are lacking.

Dr. Hallstein has already given us the material for an objective appraisal of the present state of the negotiations. Perfunctory though his outline may have been, I think, you all realised clearly the complexity and difficulty of the problem.

Personally I am not one of those, if there are any such, who believe that British membership of the Community is going to be determined by such matters as the price of butter or the marketability of mutton in the Community area.

I told you yesterday the political reason why I attach fundamental importance to Britain's entry into the Community. But we must not forget that this means joining an organisation which has to implement a union not merely political but economic. It means entering a system in which the decisions taken regarding prices, markets and duties for butter, mutton, beef, pork, poultry, eggs, vegetables, fruit, sugar, wine, tobacco and so forth are matters of vital importance to certain countries. I have New Zealand in mind, for example.

For the rest, it is just the questions of processed agricultural goods and food-stuffs form the temperate zones of the Commonwealth (Canada, Australia and New Zealand) that have given the seven-Power Conference the greatest difficulty.

And the problem of agricultural produce is not the only one. There are also institutional problems, which must be discussed simultaneouly with all the candidates for accession; there are legal problems, in particular the wording of the agreement and its protocols.

Then there is the problem of the countries of the little free trade area, including the three neutral States.

Finally, there are problems which are regarded as subsidiary to the others, but which are also complex and important: the

economic treatment of, for instance, the African and Asian countries of the Commonwealth which do not seek or are not granted association.

I am quite sure that everyone in this Assembly wishes the negotiations to reach a successful conclusion; this has been specifically stated by Mr. Gustafson, Mr. Gülek and Mr. Brown. The last-named has indeed emphasised it strongly, but I should like to set his mind at rest as regards our feelings and hence our actions. I may tell him that the European Parliament is not ruled by the systems which seem popular in certain quarters where—perhaps indulging in an instinctive need to grumble—public opinion maintains that the fundamental rule is: 'never do today what you can put off till tomorrow'.

It is not like that in our Parliament. Indeed, when we found that the Governments were giving no thought to timely arrangements for renewing the association Convention with the African countries and Madagascar, we took the initiative, and the Governments followed after.

The attitude of our Parliamentary Assembly, Mr. Brown, is rather that of the soldier martyr—I am sorry, I perceive too late that I am mixing the sacred and the profane—who is represented in the act of stamping on a raven which, with its dying breath, croaks the word *cras*—'tomorrow.'

To be serious again, I say that we want the negotiations for the entry of Britain into the Common Market to be concluded as quickly as possible. But I would add that I cannot accept the reasoning of those who say, more or less: since Britain's accession to the Community is important politically, let us arrange it straight away without wasting time over export questions or the prices of poultry and Australian tinned fruit.

I do not share that view. The problems have all got to be solved, including those which appear secondary, and they have got to be solved properly. In other words, the solutions must assure general progress and improved living conditions for the

peoples, they must guarantee the growing success of the enlarged Community, thereby enabling it to be an essential factor of world harmony and world peace.

I said "enlarged Community," and that makes me think not just of Britain and the Commonwealth, but of Ireland—the Emerald Isle introduced into this debate by Sir Anthony Esmonde —Denmark and Norway. But we all know that the negotiations for the accession of these countries are linked with the outcome of the current talks between the Six and Britain, and this brings out still more clearly the significance of the negotiations for the United Kingdom's entry into the Community.

While Britain's application to join has been described as a sort of Copernican revolution, it should perhaps be explained that the revolution consists in a general turning towards Europe and towards the integration undertaken by our Community.

In fact, after the Maudling talks, which were intended to bring about a collective *rapprochement* between the member States of OECD and the economic community then in process of formation, the foundation of the little free trade area as a counterpoise to EEC was also designed to represent a solid group over against the member States of the Common Market.

Today, apart from the three neutral countries, which, understandably, are seeking a common or at least a co-ordinated platform for the negotiations, the outstanding applications entail separate talks between each country and the Community; this may have an advantage, in finding for each country the form of union that suits it best.

Now, there is no doubt—I do not want to reopen the debate in which Mr. Birkelbach intervened just now with such pertinence and passion—that the greater simplicity of the accession formula does not warrant the conclusion that the association formula must be applied only in extreme cases or even avoided if possible.

If there are countries interested in sharing in the work we have undertaken as associate members in the form provided for in the Treaty, it seems to me neither right nor appropriate to force them into less binding forms of co-operation.

However, and here I share the views of Mr. Birkelbach, we must leave generalities aside and examine concrete cases.

We shall then be able to determine whether a solution exists that can take account of the structure, interests and—why not?—the special vocation of States like the three Neutrals which, without any possible doubt, are part of the Europe whose destiny they have long shared.

Mr. Brown—I shall soon be done now— in his earnest speech drew our attention to a point over which I hope there will be no misunderstanding. He said that the present age is plunging every country and Europe as a whole into an undertaking of world dimensions. Europe must direct its efforts towards the most needy peoples—towards the development of the Asian countries, for example.

I would reply to Mr. Brown that the eyes of all are open today to the needs of other peoples, and we know full well that there is no room for selfish calculations. We have not forgotten that at the root of European civilisation there lies—I will not say a principle—but an idea, namely: "the Word was made flesh"—"*Verbum caro factum est.*" "*Car le mot c'est le verbe et le verbe c'est Dieu,*" as Victor Hugo translated it.

What does it mean, "*Verbum caro factum est*"?

It means that God came into the world, that the deity was incarnate in the world and that it is operative in history.

And our efforts to unify Europe are efforts to realize the good of which mankind is capable, to build up with difficulty a precious harmony and to create in this world the conditions for a lasting peace.

The Chairman. — I call Mr. Margue.

Mr. Margue (*Luxembourg*) (*F*) (Translation). — After the exalted terms in which Mr. Martino concluded his last address, I do not wish to return to questions he has already dealt with. I shall confine myself, in a more general context, to saying to the persons gathered here that this latest Joint Meeting of the two Assemblies with the members of the three Executives leaves me with a feeling of mingled regret and satisfaction.

Regret because quite a large number still of the members of our two Assemblies did not feel they need trouble to attend the meeting. It is true that no spectacular decisions or events can be expected from a joint session of the two Assemblies. It is also true that, there being only three sittings, speaking time is necessarily limited. But, all the same, it is the only opportunity we have of hearing voices other than those we are accustomed to hearing throughout the whole year in our own Assemblies. I find that it does one good to hear new voices once a year.

Members of both Assemblies will, I am sure, have been pleased to get precise information on a number of questions in the course of the discussions; we might perhaps not have exercised our minds so much, had we not had this opportunity for a direct and immediate confrontation of views.

I feel a sense of satisfaction, first of all, because the number of addresses by members of the European Parliament, in proportion to those of the members of the Consultative Assembly, has been greater this year than last; and some of the addresses, Mr. Birkelbach's for instance, have been quite remarquable.

I have also the distinct impression that certain obvious differences of opinion have been reconciled. I feel that some headway, be it ever so slight, has been made towards mutual comprehension and that the danger of misunderstandings has definitely receded.

Another source of satisfaction is the fact that this so-called Joint Meeting of the two Assemblies is really a joint meeting with the members of the three Executives. Therein lies one of its main interests. Dr. Hallstein's address yesterday was received by all of us as an important event. We noted his rather cautious way of putting things but also a very sincere desire, while abiding firmly by the principles of the Commission of the European Economic Community, not to bolt and bar any door but to leave open every possibility of future talks with the various applicant countries and loyally to seek a solution which will satisfy the legitimate desires of each one, in so far as that is humanly possible. I think I may close on that optimistic note.

This year, discussions have centred above all on the applications for accession and the extension of the Common Market. Much less has been said of that other still more distant prospect of a political union. Perhaps we shall discuss it next year—that depends on future events—but, anyway, I am convinced that we shall not lack material for further discussions.

The Chairman. — As President of the European Economic Commission, does Professor Hallstein have any observations to make on the debate?

Dr. Hallstein, *President of the Commission of the European Economic Community (G)* (Translation). — Mr. Chairman, the discussions in which my colleagues of the Commission and I have had the honour to take part yesterday and today have revealed such a measure of agreement as regards conceptions and the assessment of the situation—agreement, I mean, with the views which the Community, the Commission and I myself represent—that I hesitated as to whether I should take up your time with a closing speech. If I am doing so, notwithstanding—I thank you, Mr. Chairman, for giving me this opportunity—it is because, as Mr. Gustafson rightly reminded us, these discussions are intended as a two-way exchange of views with the Executives of the European Community and also

because many speakers have done me the honour of commenting on what I said in my address to you yesterday. I shall confine my closing remarks to a few sentences.

The first thing I want to say concerns an opinion expressed by Mr. Gustafson and voiced in other quarters, too, an opinion which we are bound, I think, to qualify as inconclusive—and, consequently, not belonging to the considerations likely to assist us in finding ways and means of expanding our Community. It is the suggestion that, since our Community has contracted an association with the African States and Madagascar, it would be strange if the right of all European States to association were not recognised. The analogy invoked here is valid only when circumstances are comparable, as in the case of the current negotiations being conducted with a view to enlarging the Community, or again in the case of the association of certain territories which are or were British dependencies, a problem with which we have to deal in the context of the negotiations on the accession of Great Britain.

But, as I explained yesterday, recourse to the solution offered by association, which already figures in our Treaty, has been considered only for cases that present an analogy with the African and Madagascan associations. There is a substantial difference between this form of association and the form we have to deal with in the current applications for association which are based on Article 238 of our Treaty. Worked out to the last detail and drafted by the authors of the Treaty themselves, the cut-and-dried African and Madagascan associations are associations designed to promote the development of States or, originally, of territories which are at a quite definite but not very highly-developed level of economic civilisation.

My second remark is in reply to a fundamental point raised by Mr. Brown during yesterday's discussions on Commonwealth problems which, as I told you myself yesterday, are the most difficult problems we have to solve in the negotiations with Great Britain.

I am particularly anxious to reply, first, because the co-operative tone in which Mr. Brown spoke of this problem did not escape my notice and, secondly, because my views are very similar to his in many respects. When he says that the Commonwealth is not purely and simply a preferential area, when he says that the Commonwealth relationship has meant sacrifices for Great Britain, when he says that our problem is not only a European problem and reminds us that we have a special, a world-wide responsibility towards the newly-developing countries too, these are, as I think I have clearly indicated, affirmations with which we are in complete agreement.

But the fundamental point to which I wanted to reply is this: Mr. Brown deplores the fact that, in the negotiations with Great Britain on Commonwealth problems, no concrete or specific solutions—even when they represent exceptions from the principles of our Treaty—have been envisaged. He introduced this part of his address with the more witty than just observation that, as someone had said, the Treaty of Rome contained four pages of principles and 400 pages of exceptions!

To that I would retort, continuing in the same vein: perhaps it consists of four pages of principles and 400 pages of exceptions to any possibly erroneous interpretation of the principles. (*Laughter*). Or to put it another way: it consists of the 400 pages of its essential substance, of a definition of the exact interpretation of these principles.

But that is not my complete answer. I would like to add that the difficulty we experience in giving direct, specific answers in order to dispel the doubts which stand in the way of a reconciliation between the British Government's point of view and our own, as regards the relationship with the Commonwealth countries, derives ultimately from a fundamental concept, one of the major essential principles of the Community.

I would refer you, in this connection, to many things said in the course of the two days' discussions, and particularly to a passage in the statement made by Mr. Birkelbach here barely an

hour ago. To disregard, neglect or underrate its political character betrays a complete misunderstanding of the nature of our Community.

This, I may say—to take a specific illustration—was brought home to us when, among all the difficult Commonwealth problems, we were grappling with the problem I already mentioned yesterday of trade in agricultural products from the temperate zone.

The reply which we were obliged to give the British negotiator—I was very forcibly reminded of these negotiations when Mr. Brown was speaking here this morning, reminded of the great mastery with which the Lord Privy Seal, his competence matched only by his psychological skill and determination, presented his country's case—the one crucial reply which we had to give him in this matter, when the six Governments, unanimous on this point, were forced to refuse him specific assurances, and naturally, above all, quantitative assurances—was that, were we to grant such assurances, we would be violating a fundamental principle of a common agricultural policy which had already being worked out—and, God knows, with what pains!—and, in particular, an agricultural trade policy.

Mr. Brown regretted that this attitude of the Six had resulted in the postponement of a number of replies which must be given to these legitimate demands—demands which we, too, recognise as justifiable. That is perfectly true. But that is inherent in a policy which is in a constant state of evolution and must continually be adapted to changing circumstances and — I am glad that, as far as this is concerned, the discussions have revealed approval of what I said yesterday—must be shaped also in relation to the Community's responsibilities towards non-member countries.

It is only when the problem is viewed in the light of these responsibilities that the difficulty of solving it is fully appreciated. I deliberately called attention yesterday to the need to respect the principle of non-discrimination when shaping our policy. It

is precisely when it comes to defining an agricultural trade policy —for my present purpose I shall continue to use this highly instructive example—that the situation of certain non-Commonwealth countries is found to be so similar to that of the Commonwealth countries that, in view of its great responsibility towards the world as a whole, the Community cannot afford to disregard them.

The third thing I wanted to say concerned the relationship between the Community and the three neutral countries. But this matter has been dealt with in such peerless fashion by Mr. Birkelbach, that I need only refer you to what he said and add—it is not the first time that I have said this—that I am in complete agreement with him even down to the slightest detail.

•

This said, Mr. Chairman, may I, in conclusion, express to you the thanks of my colleagues and myself for enabling us to have these discussions with you. It has been proved once again that this Joint Meeting of the Consultative Assembly of the Council of Europe and the European Parliament can really achieve what it sets out to achieve; in other words it is for us—I have our own specific needs in mind when I say this—who are dealing every hour of every day with the practical problems of European unification, a precious source of information, inspiration and encouragement. (*Applause.*)

The Chairman. — I call Mr. Malvestiti.

Mr. Malvestiti, *President of the High Authority of ECSC (I)* (Translation). — I will follow the excellent example of the second *rapporteur*, who preferred not to add anything to what Mr. Edoardo Martino had said. I should like, however, to thank Mr. Abdesselam for his kind remarks about the High Authority and for his real interest in ECSC problems.

The High Authority, too, is interested in the questions causing concern to Mr. Abdesselam, and I would recall that on 17th July concrete proposals were presented for the co-ordination of energy supplies—indeed going further than mere co-ordination

and recommending a regular common energy market. Mr. Abdesselam knowns as well as I do, if not better, that the problem is not easy, because of the varying interests of the different countries and because of the uncertainty of economic forecasts. Nor is it made any easier by the social factors involved.

In any case, in spite of what some speakers have said today, there is no doubt that the High Authority, after two years of study and effort, has at last presented concrete proposals which to my mind should be acceptable to the Six as leading to the true common market in energy which it is desired to establish and within which (I by no means exclude the possibility) a single management could be set up.

I, too, am of the same opinion as Mr. Abdesselam that a protectionist policy for coal is not only unnecessary but positively harmful. Coal subsidies are quite adequate for the purpose and must suffice, for the transition period only, of course. Thank you, Mr. President. (*Applause.*)

The Chairman (*E*). — Does anyone else wish to speak?

Before closing this meeting, I would like, on behalf of my colleague, Mr. Martino, and myself, and of the Assemblies over which we have the honour of presiding, to thank the executives of the three European Communities for the very valuable contributions they have given to our debates and by their presence here in other conversations.

We all look forward to the day when Joint Meetings of the European Parliament and of the Consultative Assembly will no longer be necessary, when they will be an anachronism. For the time being, I think we appreciate that these meetings serve a useful purpose in confronting the members of the Consultative Assembly with the specific questions concerning the Six, and for this we are grateful, on the Council of Europe side, to our colleagues in the European Parliament for their presence here.

2. *Closure of the Joint Meeting*

The Chairman. — I declare the Ninth Joint Meeting of the members of the European Parliament and of the Consultative Assembly of the Council of Europe closed.

(The Sitting was closed at 6.15 p.m.)

Printed in Belgium