THIRTEENTH JOINT MEETING

of the Members of

THE CONSULTATIVE ASSEMBLY

OF THE COUNCIL OF EUROPE

and the Members of

THE EUROPEAN PARLIAMENT

(STRASBOURG, 23RD AND 24TH SEPTEMBER 1966)

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:

(*F*) = speech delivered in French.

(*G*) = speech delivered in German.

(*I*) = speech delivered in Italian.

(*N*) = speech delivered in Dutch.

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

CONTENTS

Sitting of Friday, 23rd September 1966

Sitting of Saturday 24th September 1966

FIRST SITTING

FRIDAY, 23rd SEPTEMBER 1966

IN THE CHAIR: Mr. ALAIN POHER

President of the European Parliament

(The Sitting was opened at 3.15 p.m.)

1. *Opening of the Joint Meeting*

The Chairman (*F*). — Ladies and Gentlemen, I declare open the 13th Joint Meeting of the members of the Consultative Assembly of the Council of Europe and of the European Parliament.

I would remind you that the rules of procedure in force are those adopted by agreement on 22nd June 1953 by the Bureaux of the Consultative Assembly of the Council of Europe and of the European Parliament.

I would request those delegates who wish to speak to enter their names in Office A 70 before the close of this afternoon's Sitting.

2. *Tribute to the late Mr. Le Hodey and the late Mr. Reynaud*

The Chairman (*F*). — We have been saddened, Ladies and Gentlemen, to learn of the death of our former colleague, Mr. Philippe Le Hodey, last Friday at the age of 52 after a long and painful illness.

You will appreciate that the President of the European Parliament should wish to pay a tribute at the Joint Meeting to the memory of an outstanding parliamentarian who honoured our two Assemblies with his attendance for fourteen years.

A Member of the Belgian Parliament since 1949, he sat in the European Parliament from 21st July 1958 to 4th May 1961. He was a member of the EEC/Greece Joint Parliamentary Committee.

His activities on behalf of the association of the African countries and Madagascar, of Greece, Turkey and the countries of the Maghreb were particularly esteemed.

He was a substitute member of the Consultative Assembly of the Council of Europe from 1951 to 1958 and a full member from 1961 to 1965. His warm-hearted zeal soon brought him the chairmanship of the Christian Democrat Group of that Assembly.

Owing to his business activities he was more particularly concerned with economic problems and social affairs. As a Managing Director, he was convinced that the expansion of the economy and the well-being of labour should go forward hand in hand in modern society.

A European by conviction, this courteous, affable and charming parliamentarian spent a large part of his active life in his latter years at our Assemblies.

His clear-sighted and lucid brain, his applauded eloquence won the hearts of the Europeans in our Assemblies, who per-

ceived that beneath his distinction of manner, though at times verging on excessive reserve, lay a fund of tact.

Although he was compelled to give up his parliamentary activities in the European Assemblies, he let slip no opportunity of keeping up the contacts that he had made in them. Thus, although barely convalescent after a serious operation and suffering severely from the disease which was to carry him off, he nevertheless insisted on attending the Ostend Seminar of the Christian Democrat Group of the European Parliament last October.

In Philippe Le Hodey the European ideal has lost a discreet but convinced and pertinacious advocate. Philippe Le Hodey believed in the future of Europe without worrying too much about its present troubles.

In expressing our deep sorrow before our two Assemblies, of which he was a member in succession and where he has left none but friends, we present our respectful and heartfelt condolences to Mrs. Le Hodey, to his children, some of whom are still very young, to his mother and to all his family.

You will permit the French Members of Parliament here present to associate with the memory of Philippe Le Hodey that of the great European who died in Paris the day before yesterday, Mr. Paul Reynaud.

I ask you, my dear colleagues, to observe one minute's silence.

(The Representatives stood and observed one minute's silence.)

3. *Apologies for absence*

The Chairman *(F)*. — I must excuse those of our colleagues in the European Parliament who, as members of the Parliamen-

tary Committee on Association, had to attend the meeting of that Committee at Mogadiscio in the Somali Republic and are consequently unable to take part in our discussion.

I regret the overlap, but the choice of the date is not solely a matter for the members of the European Parliament; it is fixed by agreement with the representatives of the 18 African and the Malagasy associated Parliaments.

4. *Exchange of views*

The Chairman *(F)*. — The next item on the agenda is the consideration of Mr. Catroux's report on the activities of the European Parliament from 1st May 1965 to 30th April 1966 and on the topic selected this year by the Bureaux of the two Assemblies, viz: the extension of the European Community and Europe's economic and political responsibilities in the world.

I call Mr. Catroux.

Mr. Catroux, *Rapporteur of the European Parliament (F)*. — Mr. Chairman, Ladies and Gentlemen, I have the honour to introduce the report on the activities of the European Parliament over the past year.

Do not, however, be alarmed. You are well aware of the custom which has grown up over several years between the two Assemblies, whereby the European Parliament presents the printed report on its activities to the Consultative Assembly of the Council of Europe as a separate document.

The discussion by the members of the two Assemblies, however, takes as its theme a political subject chosen jointly by the Bureaux of the two Assemblies. Thereby members are able to do justice to past activities and, in addition, can devote

the sole annual meeting between the two political organs to up-to-date political topics. This rule applies to my report also.

The second part gives an account of the events which occurred last year both within the European Parliament and initiated by it. The first part, on the other hand, is devoted to the problems chosen by the Bureaux of the two Assemblies as topics of discussion: the extension of the Community, scientific and technological co-operation in Western Europe, and Europe's responsibilities in the world.

Nor have I any intention of going over the substance of the first part here; you have the printed text before you, and I would not wish to repeat what you have already read during the recent holidays. On the other hand, I do think it important to try to give a detailed picture of the political and economic world situation which I have taken as the background for the statements in this first part of the report.

The choice of subjects is not arbitrary as it might seem at first sight, for actually the three topics embrace the cardinal questions with which the European Community has to contend.

The time at which these topics have come up is even less arbitrary. The trend of world economy, like the trend of world politics, brings out ever more clearly the objectives underlying the integration of the European countries and the needs to which that has given rise.

Today the economic gulf between the leading Western World Power, the United States, and Europe is growing wider. The Community succeeded for some years in preventing the gap from widening, but in 1965 the gross national product of the United States grew by 6 per cent whereas that of the European Community increased by only 3.5 per cent. Despite the accelerated growth of the Community in recent years, the United States national product today far exceeds twice the amount of that of the European Community, even taking into account distortion due to fluctuations in the exchange rate.

In order to narrow this gap, EEC's growth rate should be at least twice as great as that of the United States. So far, unfortunately, it is far from being so.

Europe is becoming increasingly aware of the reasons for this difference in the rate of expansion. The reasons are familiar to you, and I do not need to go into them in detail. The economy of Western Europe is increasingly exposed to the pressure of competition from American goods.

I see no reason, believe me, to be jealous or perturbed by the fact that the American economy should have reached such a high degree of development; quite the reverse. I am mentioning it in this context for a quite different reason: in many respects America supplies us with an example which may let us understand what political conditions are required to ensure an optimum economic development.

The advance achieved by America is not to be explained by any difference between persons or between other so-called natural circumstances, nor by the mere fact that the last two world wars spared the American territory. The main distinction between Europe and America lies in political conditions. I shall confine myself to the most significant.

The superiority of American industry is often explained by the fact that European undertakings are still far too small and by the unfortunate lack of a concerted industrial policy on the part of the European countries. The United States constitutes a single market, that is to say, it has been possible for her to establish an internal equilibrium of industrial production, ensuring optimum conditions of output. So far this has not been true either of EEC or of Europe as a whole.

European industrial production is not yet fully exposed to internal competition nor even to competition from the Common Market; it is not even governed by a common and general production policy.

That is a particularly important factor for the sectors of production whose development determines technical progress and the level of the general development of the economy.

I have pointed out in my report that independent investments resulting from research account for up to 90 per cent of the growth of the real product per man-hour.

Investments in this field do not, therefore, concern a particular sector, but they represent by far the largest special factor in economic growth. It is precisely here, however, that matters are going badly in Europe. Even taking into account the higher cost of research in the United States, the investments devoted to science and research there are twice or three times as high as in Western Europe. Given the already considerable advance held by America in this sphere, this gap not only shows no signs of closing, but is tending to increase from year to year, and this trend is fortified yet further by the fact that the European countries are each pursuing their own separate modernisation policy.

It is not possible, therefore, to obviate double investments nor to exchange findings to a satisfactory extent. Allow me to dwell on this point for a moment.

Europe is perfectly well aware of these difficulties, and has in fact tried to contend with them by means of bilateral and multilateral co-operation agreements and by treaties concerning joint development projects. All these attempts have, it is true, had large isolated successes, and these may still be increased, but all of you know as well as I do the very serious difficulties in the way of such co-operation. They are, in brief, political.

The technological sector is not in a position to keep to the rules of strict competition. In the United States, the State finances the leading sectors, either directly or indirectly, or by creating a demand dependent on temporary needs. The United States Government is therefore able to encourage private

firms to make extra efforts in research and technology, but in all countries what might be called the infrastructure of technological organisation, i.e., the education of people as research workers or technologists, which exercises a determining influence on economic development, is not conceivable without State finance and support.

General State activity in the promotion of science, research and technological development has not yet become common practice in the Community centres, much less in the countries of Western Europe as a whole. The discrepancy between the actual requirements of the Community's economic development and the lack of co-operation has recently led the organs of our Communities to take a number of steps to remedy the situation. The European Parliament has been making suggestions to this effect for a long time past.

But what is the nature of the difficulties impeding a common industrial policy, a common scientific policy and a common research policy in the Community and in the aggregate of the European countries? If Western Europe could come to an agreement on a common policy for these matters, it would have an economic and cultural potential which would enable it to undertake programmes as large as those of the United States and to enjoy a similar development. But the programmes that that would require are of such dimensions that they would have a profound effect on the actions of each of the Governments concerned.

Economic policy, social policy especially, and defence policy are affected by it, indirectly, no doubt, but very significantly. These projects usually take longer to come to fruition than the term of office of the Government or Governments which made the contract.

Every Government, is, however, bound by obligations not only towards its co-signatories but also towards the forces, interests, and business conditions within the country.

If a Government has to contend with domestic difficulties, it is impossible to know beforehand whether it will yield to those domestic obligations or will honour the agreements signed by its predecessors. This problem arises, of course, with all international agreements, but in this particular case it is more acute, because the undertaking given affects a sector of the greatest importance for economic policy and, more particularly, for foreign policy and defence policy.

It is in these two sectors that resides the prime cause of the difficulties so far encountered by the European countries in this respect.

So long as co-operating States pursue different aims in foreign and defence policy and harbour different ideas in these spheres, they have a vital interest in keeping armament and military resarch in their own hands.

All efforts made in countries of Western Europe to establish and carry out closer and long-term co-operation with regard to armaments have suffered from this inherent obligation to choose between full responsibility in defence policy and less than complete armament autarky.

Without a foreign policy and a defence policy co-ordinated for the duration of the major technical programmes, any effort to achieve intensive technological co-operation in Western Europe will be clouded by doubts whether the original agreement will be observed by all the partners throughout the period of co-operation.

These political questions come up again—it is no secret—behind problems such as collaboration between Great Britain and EEC and hence the extension of the Community to the other European countries which are not governed by dictatorships. It was not divergent interests in world trade, as is so often argued, which were the origin of the main difficulties in the past. In this sphere discussion still lingers at periods long

since superseded. Any attempt to contrast Atlantic policy with a European policy is just as wrong-headed as to see a liberal economic policy confronting an autarkic economic policy. Great Britain and France are usually quoted as examples of this alleged contrast. Yet the change in the foreign trade of these two countries is noteworthy and significant. Whereas British imports fell from 18.8 per cent to 16.7 per cent in value, and exports from 17.4 per cent to 13.4 per cent of its gross national product between 1956 and 1964, the corresponding French figures noticeably rose. That country's new policy with regard to world trade is apparent in the fact that its long-term economic plan provides for an annual increase in the volume of its foreign trade which is almost double that in the 1950s.

These contrasting trends of two of the chief trading Powers of Western Europe show the dangers, as well as the limits, of European countries concentrating on expanding foreign trade. If conditions for access to the European market are made easier, this will inevitably entail much more vigorous trade within Europe. Accordingly, the Community as it now is—and even more so if it is enlarged—must ensure that this commercial concentration remains compatible with an expansion of trade with the rest of the world.

There is, however, a definite limit to the concentration of trade on the internal European market. Unlike the United States, whose supply of raw material is fully guaranteed beyond the year 2000 by resources in its own political territory, Europe remains dependent to a large extent on imports from the countries of the southern hemisphere—as can be seen from the fact that it is easily the main customer of those countries. Whereas the United States and the Soviet Union are, if it comes to the point, self-sufficient, Europe is certainly not. Hence the importance for Europe of the development of the southern hemisphere. Europe is necessarily interested in the economic and political stability of those countries, to which it is so closely connected structurally. Europe can contribute to that stability only through a concerted policy of foreign trade and development

aid; which once again brings us back to the problem of harmonising the foreign policies of the European countries.

The problem posed in all sectors of European development is thus that of a concerted general policy of the member countries or of all the countries of Western Europe. If negotiations are to take place between EEC and the countries of the present EFTA wishing to accede to the Community, this question will not only not become blurred, but will arise in an acuter form. The entrance of those countries into the Community would establish a huge market, the largest internal market in the world. It is inconceivable that that could happen without entailing political consequences. An economic potential of that sort would require a policy. But what sort of policy would it be guided by? That is the question which will stand in the way of all efforts, and more particularly those which will be crowned by success, to strengthen the integration of the European States both internally and externally.

It is at this level that large changes have occurred in recent years. In the immediate post-war period, the policy of the European States was guided by a basic common interest: protection against the aggression apprehended from the East. Longed for and welcomed by all, the slackening of tension among the world Powers has had contradictory results: on the one hand, it has led to a greater freedom of movement, especially by reducing the imminence of the threat of atomic war; on the other, it has strengthened the need for the European States to take a stand and to conduct a policy of their own.

It is not sufficient to suggest in response to the question what this policy will be that the initial effort be confined to developing economic collaboration, deferring political collaboration until later; a clear idea of the political consequences of this co-operation must be held. The question is whether Europe is prepared to assume its proper responsibilities in the world.

I take pleasure in this context in being able to endorse the view of an eminent British politician, Mr. Patrick Gordon

Walker, who has said that Europe influences the rest of the world by both action and inaction, and that if a great Power fails to play its part this also affects the world's balance—usually at the expense of the Power which stands aside.

Will Europe prove equal to the part that awaits it or will it not? That is what will decide whether it is to become the outpost of the world Powers, the scene, as it were, of the world political conflict, whether it is to withdraw into the ranks of the spectators of world policy, or whether, conversely, it will be able to assume its responsibilities, in its own interest and in that of world peace.

In any case, Europe has its task before it, and I am therefore glad that the two Assemblies have an opportunity to consider jointly so vital a subject. (*Applause.*)

The Chairman (*F*). — I congratulate you, Mr. Catroux, on behalf of the two Assemblies met here, on your brilliant report and your explanatory statement.

I call Mr. Czernetz, who will introduce the report, and in particular the political report, on behalf of the Council of Europe.

Mr. Czernetz, *Rapporteur of the Consultative Assembly of the Council of Europe (G).* — Mr. Chairman, I should wish at the outset to express my satisfaction and pleasure at the fact that the joint meetings of the European Parliament of the European Economic Community and the Consultative Assembly of the Council of Europe have now become a permanent institution which affords us an opportunity of coming together and speaking out each year. I should like on this occasion especially to thank Mr. Catroux, the Rapporteur of the European Parliament, on his excellent report and to congratulate him on his interesting presentation.

From the formal point of view, it is my task to introduce simultaneously three reports of the Consultative Assembly of

the Council of Europe. These are the reports of the Political Committee, of the Economic Committee and of the Cultural and Scientific Committee. I am not threatening this Assembly with a popular treatment of all these matters. It is rather Mr. Kershaw and Mr. Reverdin who will have the opportunity to introduce on behalf of the Council of Europe and their two Committees the particular reports with which they were concerned in committee.

My own particular task is to offer a few remarks to introduce the discussion in line with the report of the Political Committee of the Council of Europe on Europe's political responsibility.

If we speak of Europe's political responsibility, we are fully and entirely aware that this in the first place implies a European policy, a certain unity, a common line in developing a definite character for that policy. Only in this way, only if this occurs, will Europe be at all able once more to acquire international significance.

The Council of Europe provides an excellent meeting ground and a place for confrontation and discussion. In the Council of Europe the six member States of EEC and six of the seven Members of EFTA are brought together, as well as the other democratic States of Western Europe; and all Members of the Council of Europe have a great interest extending far beyond the confines of Western Europe, an interest which covers the destiny of Europe as a whole.

The Consultative Assembly of the Council of Europe has the peculiar privilege of acting as a channel between Western Europe and the rest of the world. It fulfils the function which U Thant, the Secretary General of the United Nations, expressed here in this Hall in describing the Council of Europe as the first attempt to project the principle of parliamentary participation in public affairs to the international plane independently of Governments themselves. The Consultative Assembly of the Council of Europe does not, however, enjoy the range

of competence and the full powers of the European Parliament. But the Consultative Assembly is also not at the same time confined to limited, immediate contingencies.

The Consultative Assembly has frequently—and no doubt rightly—been criticised. But it possesses a high degree of freedom of initiative, which is precisely what is needed for the determination of political responsibilities in Europe and in the world at large. The Consultative Assembly is not shackled within the narrow confines of its Statute. It is in no way impeded in its function of confrontation and discussion, and thus it provides an ideal framework for discussing the trends of development and the alternative courses open.

Mr. Chairman, Europe's problems are as numerous as its political responsibilities. It is no longer possible to isolate political problems geographically. For the interdependence of all questions of world policy is a question that brooks no burking.

The major task of which all of us in the Council of Europe are well aware, is to contribute to the creation of a political climate in Europe that will ensure the maintainance of peace within the meaning and in the spirit of the United Nations Charter. And thus the Council of Europe's relations with the United Nations keep it in close touch with realities and the world's needs and can save Europe from what U Thant mentioned in this Hall in May; that is to say, it can prevent us from sinking into a kind of prosperous provincialism. We see the necessity for solving world-wide problems. We understand the necessity for solving the problems of development aid and vocational training, and the realisation of all these questions and special attention to them do exist in the Council of Europe somewhat as we, within our own limits, clearly demonstrate in tackling the problems of our own member States, Greece and Turkey.

But over and beyond Europe we have shown our particular interest by inviting leading personalities from Africa and Latin

America, and it is known that we also intend to invite leading personalities from Asian countries to expound their problems before us. We must not neglect our responsibility towards the problems of the world at large.

Here, however, I am already moving on to the most delicate ground. If we take our responsibility in world politics seriously, we cannot pass over in silence the tragic events that are currently occurring in other parts of this world. They concern us too. If we take our political responsibility towards the world at large seriously, we are compelled to express our serious concern at the escalation of the war in Vietnam, its continuous intensification or "hotting-up". This war also concerns us in Europe. If people a generation ago said what happens far away down in the Balkans is of no interest to us, one must say nowadays that East Asia is closer to us than the Balkans once were; it concerns us. If we observe the attitude of the member States of the Council of Europe and in particular also the member States of the European Economic Community towards important problems of national and international defence policy and their alliances, we see how the distant Vietnam war also acts as an explosive element in Europe too. This Vietnam war is a heavy burden on us Europeans also; not because we have to bear the physical load, but because we are affected politically by it.

Therefore, Mr. Chairman, I believe that we must be quite clear about the attitude to be taken towards such matters. I would say that everyone in Europe would breathe a sigh of relief if it were possible to convene a conference on the Vietnam dispute at which all those participating in this dispute, all of them, no matter whether they represent a recognised State or not, sit round a table and negotiate for the cessation of all military action and a political solution to this tragic conflict. We should all breathe a sigh of relief because we know that this burden is likely to become a grievous obstacle for the whole political development of Europe too.

Well, Mr. Chairman, in my opinion, Mr. Catroux, as Rapporteur, is right in speaking of the decrease in the danger of a

general war. I am also of the opinion that the nuclear balance of the very great Powers makes a nuclear world war highly unlikely. The "statisticians of death" assure us that both these giants possess an overkill-capacity. It is said that the Americans have more than a twenty-fold overkill-capacity and the Soviet Union an overkill-capacity of only eight. One death is enough for me; I have very little taste for these extras.

We know, however, that the people in the Kremlin are just as aware as those in the White House that a nuclear world war would mean the common suicide of Western and Eastern civilisation. So I agree with Mr. Catroux that a war of this kind is unlikely. But this balance is threatened. It is threatened today by the enormous and monstrous population growth of Communist China. The Chinese indeed have atom bombs, but they have no vehicles for them; they do not have the means for a modern great war. But, Mr. Chairman, we have no grounds for lack of concern—the Communist Chinese military theory starts out from the position that a nuclear war, after an exchange of bombing, would lead to the result that the population of America would be reduced to 50 million, that of the Soviet Union perhaps also to 50 million, that of Great Britain to 5 million, but there would still be 300 million Chinese surviving. And when Mao Tse Tung and his young men say that it would thereafter become a long war, a war which Einstein once described as the war of Stone Age men, a war which would last five, ten, twenty or fifty years, and then—the Chinese Communists say—they would win, for after the exchange of atomic bombing, it would simply be a matter of men, of Stone Age men, then that is a tremendous new danger because it moves aggressively and provocatively, unhampered by any scruples about men and humanity and civilisation. Thus this Communist China, which is passing through the first stage of the Communist Revolution, which is reproducing in the Far East something like the war Communism of the twenties—this Communist China, I would say, with its excesses of the so-called cultural revolution is becoming a serious potential danger; for it is putting pressure on the Soviet Union and its allies by denouncing them and attacking them on the grounds that theirs

is a conservative bourgeois Communism; and they wish to launch a revolution of the coloured peoples against all whites, including the white Soviet Union, which is an inheritor of Czarist imperialism.

What we are experiencing is provocation to war, subversive movements and teleguided wars. We must consider what that means internationally. In the first decade after the second world war, the major objective of Western policy was the containment, the damming back, of Stalinism. Today, it seems to me unquestionable that the decisive, if not the main, objective—especially for America, but also for the West as a whole—consists in containing the aggression and expansion of Chinese Communism. This, however, is also the interest of the Soviet Union and its closer allies; it, too, has an interest in containing and setting limits to Chinese Communism. This common interest is often denied; it is repugnant to many people. But I ask you to consider that this common interest exists and demands from us vigilance and a sense of the great special responsibilities incumbent on Europe too.

I would venture so far as to say that an alliance between America and Russia is an urgent necessity for the maintenance of peace. The Vietnam war places America and the Soviet Union in a harsh dilemma. It is greatly to the Russians' interest that the Americans should not be driven out of Asia, beaten, defeated and with loss of face; not because they have an interest in the American position, but because a defeated and humiliated America would be the Chinese Communists' strongest weapon against the Kremlin: "There is your paper tiger which we do not need to fear. Forward!" That may provoke that war, which may reduce and even annihilate the old civilisations and great Powers with the mad chance seen in Peking of the victory of the new Stone Age men after a fifty-year war of destruction.

I believe that it concerns both sides, in the East and in the West, that an "entente" should be reached despite all hindrances and despite the dangers of the Vietnam war. The whole free world has the greatest interest in dismantling the fuse of this

explosive Vietnam situation and in stressing the need for a general conference of all participant parties.

Now, many of us in Europe harbour the greatest misgivings about the balance between the two giants, America and Russia, a possible "entente" and a subsequent alliance, asking what would happen then? I believe that this involves no danger of America and Russia sharing the mastery of Europe together. They cannot set up any kind of condominium over Europe. Each of them is too different for that; their interests are too incompatible. Above all, however, Europe's economic, cultural and political potential is such a huge source of strength on which many non-European countries would like to draw, and will draw, because Europe today no longer constitutes any sort of threat to them of a renewed imperialist domination of the world; all that is past history for us and for the others.

And so, Mr. Chairman, I believe that we in Europe have the greatest interest in promoting and supporting such an "entente" between West and East, between America and Russia. Success will not consist of spectacular moves. It can only be a step-by-step policy; small steps which perhaps have great significance. May I remind you that the initiation of the "hot line" between Moscow and Washington after the Cuba dispute was a small step of the very greatest significance. It probably reduces to a minimum the danger of a war due to a mistake or wrong decision. But in the Kashmir dispute last year, too, a solution was rapidly found because it involved a direct threat to the Soviet Union. I think that negotiation and minor agreements on controlled limitation of armaments, on an ending of the armaments race, the cessation of the proliferation of atomic weapons, the extension of the existing agreement on the prohibition of nuclear explosions to underground experiments also—everything of that kind can make its small contribution.

Along these lines, I also support the suggestions for a peace-keeping force made by Mr. Per Haekkerup, the Danish Foreign Minister. Every endeavour to establish such a peace-keeping

force within the framework of the United Nations would be of great significance.

In addition, we should also bear in mind that the new fields of human investigation and technical development and, in particular, the exploration of space and the techniques of space flight should not be forgotten. Agreements concerning the banning of the military use of outer space and agreements for joint space exploration may be of the greatest significance in the near future.

I have already mentioned the questions of development aid. I believe that we should pay attention after the recent alarming report by Mr. Prebisch, the Secretary General of the United Nations Conference on Trade and Development. He points to the fact that the programme of development aid, under which the developed countries are to spend about 1 per cent of their gross national product, is not being fulfilled and that development aid and its share in the gross national product of the industrialised countries had been continuously falling off in recent years. Will it not be necessary so to work that we from the industrialised countries, not only in the West, but also in the East, should begin to make long-term plans for development aid, with a list of priorities, to increase its effectiveness? Is there any other possible way of preventing the foreseeable clash between the rich and the poor peoples, the haves and the have-nots? May it not be necessary for us to deal with this idea in our European framework and to start long-term planning? Do we not need this work for a slackening of tension and the constructive collaboration of all who are interested in peace?

Lastly, Mr. Chairman, I should like once more to draw attention to the fact that our whole European and Western policy has busied itself for some years with speculation regarding developments in the Communist sphere and inside the Communist bloc. I believe that, however interesting any of these speculations may be, it is our function to deal with sober observations and assessments. It is not a matter of tactical manoeuvres by the Communist bosses. We are undoubtedly

witnessing far-reaching changes, some liberalisation and certain relaxations which are of great importance.

At the same time, I believe I must warn you against harbouring illusions. The Eastern European Communist countries are not simply on a road that leads automatically to democracy. The ruling Communist groups have not discarded their Communist ideology, the domination of the single Party or their dictatorships. And yet we should soberly assess what liberalisation there has been introduced. We should see how that plays a part in the make-up of Europe as a whole and can improve the possibilities of an agreement with the East.

I am speaking of the general development of relations in Europe. We must realise that there are a large number of material and mental factors which are of great importance. What is of the greatest importance is the part which Germany is playing at present and will play in the future. We can at this juncture only express the hope that this Germany will play its hand wisely but resolutely and lend its strength to an all-European settlement along peaceful lines.

There have already been proposals from every quarter for a conference on European security for the final settlement of the European problem. The view is held that such a conference on European security should gather only European Powers to the conference table, but that the Americans, being a non-European Power, should not actually take part. If you will permit me, Mr. President, I should like, as the representative of a small neutral country in the border area between the Western and Eastern blocs, to tell you how we in neutral Austria responded to a similar problem in a similar situation. A couple of years ago, the Supreme Soviet sent the Austrian Parliament an invitation to support it in its efforts to achieve a withdrawal of all foreign troops from external bases. We in the Austrian Parliament had to answer, and I had the honour to make the reply on behalf of my party. The opinion of all the large parties in the Austrian Parliament was overwhelming: we have no liking for any occupation troops nor

even for allied troops in foreign countries. I must say personally that I have no taste for anything military of any kind. Unfortunately, such things exist. But when military blocs and the stationing of foreign troops in foreign countries are facts and the removal of all foreign occupation troops and allied armies is demanded, then I take a look at my globe and observe the position of my native city of Vienna. I then see what the sequel would be; it would mean that the Soviet troops would have to withdraw 500 km eastwards in order to be behind their own frontiers, but that the Americans would have to retreat 5,000 km across the Atlantic if all their troops were to be back on the American continent. Accordingly, I say: all assurances that our neutrality, peace and freedom remain safeguarded would not let me sleep quiet; for one lot are 500 km from Vienna and the others far away. That would be a disturbance of that equilibrium on European soil which alone secures peace today.

So I really must say that a conference on European security without the Americans, as is now proposed, would be a brilliant opportunity to stage a conference on insecurity. A proposal of this kind pays no heed to the realities of the balance on European soil. There is no solution to be found by removing the American troops and the American presence from Europe. I should also like to utter a serious warning, precisely from my national viewpoint, against all speculations with the idea of taking the Americans out of Europe. It is precisely we in the border area who warn you against any such venture and regard it as hazardous policy. For it would only create new dangers, dangers of a war which neither Washington nor Moscow wishes, but one into which they might slide.

Therefore, Mr. Chairman, a conference on European security—yes; but with the participation of all those taking part in events on the European continent, and the Americans too belong there as a Power guaranteeing European freedom. Now, however, the materialisation of this idea is endangered in the extreme by the Vietnam war. It is simply not feasible, because the encumbrance of the Vietnam war lies heavy upon us.

If we are speaking of European responsibilities, then we must indeed say what we understand by Europe. Europe is construed in very different ways, and I have no intention of even trying the draw up a list of definitions. But I believe that, for our political purposes, Europe means today the democratic States of Western Europe with their common responsibility. Here, Mr. Chairman, I have a range of questions, more questions than answers—but who has more answers than questions?

I must raise the question whether the time has not come to shelve academic arguments about—and I ask my friends of the European Parliament to excuse me if I speak so provocatively—the principle of supranationalism. It is becoming time to shelve what I would almost be inclined to call pseudo-religious dogmatism. The world is changing, the problems are changing and they do not wait for doctrines and theories to materialise.

We have a series of reports before us here and in the Council of Europe. There is Mr. Kershaw's report and Mr. Gauthier's reply to the EFTA report. In these reports we clearly see the realistic point of view that Great Britain's entry into EEC is unfortunately not to be expected within the next few years.

Mr. Gauthier challenges EFTA in this report—as entry into EEC is not possible—to make out its case why its dissolution would be equally harmful to Europe. We have no indication in Mr. Catroux's report either that an extension of EFTA is possible in the near future. I should like to draw your attention to the fact that Professor Erhard, the German Chancellor, recently stated that the division into two blocs was an internal contradiction. Europe cannot be unified with opposing groups. Everyone tells us in the discussions we listen to in various places here that this extension of EEC through the entry of Great Britain and other EFTA countries is not to be expected for two, or perhaps not for four, years. We cannot unfortunately count on it, in the immediate future.

But, Mr. Chairman, should we airily dismiss the warnings of a possible recession in America? Is all that to go for nothing? Is it not true that in that case serious dangers may arise from the drawbacks of the split?

The Kennedy Round might bring relief. Mr. Catroux states that outright in his report. He shows how it would be possible and he approves of it. But success must be achieved by the summer of 1967. This had been going on for rather more than half a decade. The negotiations within the framework of GATT may easily be impeded or upset by every individual national State. If no success in the Kennedy Round occurs by the summer of 1967, the Trade Expansion Act will not be extended in America. If so, the whole basis of the Kennedy Round disappears. Can anyone say with certainty that the Kennedy Round is likely to achieve this success? I hope so. My country will do what it can and I hope that everyone will support it so far as he can. But do we know it for a fact? Is there not a very great danger that it will not come off?

Therefore, Mr. Chairman, I ask: has the time really not come to seek, very soberly and empirically, for forms of collaboration between the existing blocs? They cannot, of course, be dissolved. You can preach and you can believe all you like in faith-healing, but they do not dissolve and they do not fuse. That is all right for one more year, two years, three years, perhaps four years. Should not something be tried? Is it not unrealistic now to advocate the extension pure and simple of EEC? Everyone answers that it is not yet working in practice.

And is there not the additional danger of the revival of nationalism in many parts of Europe? Is that not a danger like an infectious disease? What assurance have we that it may not affect other States and peoples? We are not using the opportunities that are still available.

Then Mr. Chairman, I ask: are we simply to stand by and observe and analyse the existing crisis of integration without doing anything? Are we to broaden it to a crisis of Europe's

efforts towards unification by our inactivity? Is there nothing to be done to pave the way for transition to full European integration? We have stated in the draft report of the Political Committee that the Statute of the Council of Europe would afford the possibility for further economic co-operation between the Members of EEC and of EFTA if the Governments of the member States had the political will to bring this about. But Mr. Chairman, that is always the key question, as it was in 1957, whether the political will exists. Nothing at all was possible then if the will was not there, and everything required could be done and there were no economic nor technical obstacles when the will was there. That is still the question today.

The most diverse possibilities exist within the framework of the Council of Europe if people will use them. I, personally, would say that the idea put forward by the German Chancellor Erhard should not be summarily dismissed, namely that some form of a free trade area might be chosen in which both groups might participate. I am perfectly well aware, Mr. Chairman, that that immediately arouses fanatical opposition: a free trade area is not feasible. I still remember how speakers in this very Hall proved incontrovertibly that EFTA would not work; it simply could not be done. It did work, however. And EEC too is functioning; it worked.

These technical and economic problems can be solved. If we could do so, we ought to expand EEC. But that cannot be done overnight. Should we not therefore look for another form, Mr. Chairman? I am not wedded to the German Chancellor's idea or proposal. But I do beg all my colleagues who maintain that it is not feasible to make some other proposal. It is simply not good enough to tell us that it is wrong, that it will not do. So we sit and wait for the recession, for setbacks, and go on staying in the two economic groups, which are drifting apart. Is that the solution? Are we to undertake no practical steps merely for the sake of pondering the matter thoroughly? Is it not a pitiful thing that we Europeans have had a horrid proneness throughout our long and splendid history to extreme expression of intellectual differences, somewhat in the spirit

of the wars of religion? Is that to reach out into economic problems, or can we find practical solutions there where they are required?

Mr. Chairman, I am fully convinced—the Political Committee has not mentioned this and I am speaking purely for myself—that no real solution is to be had without conclusive political unification, without the ultimate establishment of a United States of Europe. But that cannot come about tomorrow, nor in five years' time. We must therefore do all we can to prevent ourselves from drifting apart and sinking into a state of affairs in which we are crushed between the stronger non-European forces.

We in Europe have every reason to identify and cultivate our idiosyncratic distinguishing features: the European way of life. If we do not, we shall founder in the anonymity of modern machine civilisation. The European way of life means the single identity of the national cultural multiplicity, the requisite organisational, economic and, so far as may be, political unity rooted in the rich nutrient soil of cultural individualities. When we talk of Europe's significance, does Europe's light still shine out in the world? If it does, Europe is a political and cultural concept, a certain attitude to this humanist notion of the role of man in society. This is our heritage, a heritage of more than two thousand years of history, a heritage which goes back to Hellenism and Rome, to Christianity, the Renaissance, the Enlightenment, the bourgeois revolutions, liberalism, the evolution of democracies, the labour movement, Christian democracy and democratic socialism. The European heritage, Mr. Chairman, has grown up over more than two thousand years. It is great and manifold, like some cunningly-fitted intellectual construct. If we do not want this heritage to gather dust in museums, we must create the economic and political framework for its continuance and further development.

Europe's political responsibility has many aspects; it entails steps towards its own unification, steps towards the slackening of tension between opposing systems—in a word, the fulfilment

of our own aim to reveal the new dimensions of democracy, or, in other words, to create the economic, social, cultural and scientific framework best conducive to enabling man to enjoy the fruits of his labour.

The silence of Europe would bring with it the shrinkage of any influence and any significance it may still have. We therefore welcome the efforts in the Consultative Assembly and the efforts of the Secretary General to supplement intergovernmental collaboration, within the framework of the Programme of Work, by parliamentary action and every kind of link and practical co-operation among the member States, and, beyond them, to reach out to sectors in Eastern Europe where such action will cause no political conflicts.

In conclusion, I should therefore like to say, Mr. Chairman, that the end of the cold war, the gradual process of relaxation and the first steps towards an understanding lay a duty on us Europeans to work for co-operation and an entente within Europe and outside Europe, conducive to the effective maintenance of peace. Therein resides a test for Europeans and non-Europeans alike. For there is no other way to avert the exportation of crises and conflicts to other latitudes. Only in this way can a world-wide conflict be obviated.

The danger before us is that we Europeans may lull ourselves with illusions of peace and prosperity while the situation in the developing countries becomes ever more dangerous and catastrophic year by year. Europe is a part of this contradictory world. European prosperity cannot be in a world of famine, suffering and disruption.

For us Europeans, political responsibilities are at one and the same time responsibilities at continental level and on a world scale. (*Loud applause.*)

The Chairman (*F*). — I thank you, Mr. Czernetz, for your vivid and lucid statement; it has drawn us towards summits

which, although distant, do in fact come within the scope of Europe's political responsibility.

I now call Mr. Kershaw.

Mr. Kershaw, *on behalf of the Economic Committee of the Consultative Assembly of the Council of Europe.* — I regret to have to direct the attention of this Joint Meeting, which I have so much honour to be able to address, to more domestic and less interesting questions than those which our colleague Mr. Czernetz has so ably laid before us in his brillant speech. Speaking as a Rapporteur of the Economic Committee of the Consultative Assembly, I feel that I owe, if not an apology, at least an explanation, why, as a British delegate, I have interpreted my task of speaking to the subject of Europe's political and economic responsibilities to the world by concentrating particularly on the position of my own country.

No doubt it is true that the adherence of the United Kingdom to EEC would be the signal for a number of other countries to join as well. No doubt, therefore, the enlargement of EEC would be great, but nevertheless my colleagues may be excused if their first reaction is to think that they have heard so often about British hesitations that they are now hardly interested in the particular reasons for hesitations and have come to believe that the changing reasons serve only to mask a continuing refusal to envisage a wholehearted change of policy towards Europe. I shall hope to show that such a reaction is not well-based.

I ask the Joint Meeting to note that in all parties and sections of the British community opinion has now come to the point where it asks the question not if the United Kingdom should join the Community of an enlarged Europe, but when and how. Of the political parties, the Liberals have always proclaimed their immediate willingness to sign the Treaty of Rome. The Conservatives tried when in government to do so,

and the present Government have moved so far in their opinion that our Foreign Secretary, Mr. George Brown—a former colleague of the Consultative Assembly—was able to say recently in Stockholm:

> "The question is then, not whether we should join EEC, but when and on what terms."

The willingness being established, I must now put before the Joint Meeting of the Assemblies reasons why, in my opinion, any progress in the enlargement of EEC seems unlikely in the near future. Difficulties which loomed large in 1963 have changed and have grown smaller, and I shall deal with some later. But there is now a new difficulty, namely the British balance-of-payments problem.

I make one or two preliminay remarks on this. First, the United Kingdom is still a creditor country. Our investments in the rest of the world outweigh our debts, even bearing in mind also the large short-term debt we have recently incurred. It is legitimate also to recall that these overseas investments have twice been virtually destroyed by our necessities in two world wars and have again been built up to a figure of over 30 billion dollars since 1945.

Secondly, our military and aid expenditure overseas exceeds our balance-of-payments deficit each year. In this respect we resemble, although on a much smaller scale, the United States, in that we could by a sudden dislocation of our political policy correct our balance of payments, although at a price that it is difficult to evaluate, but which would be shared, certainly, by other Western countries.

Lastly, I emphasize that the deficit is in this sense a marginal problem in that a 2 per cent increase in production would cure it. Nevertheless it must be admitted that the United Kingdom has for some time tended to live beyond its means. A country so exposed to the effect of world prices that certain modest rises in primary product prices last year increased our

deficit by £100 million must operate cautiously. In particular, the fact that sterling is a reserve currency aggravates our difficulties.

The fact that sterling is a reserve currency in which some 30 to 40 per cent of world trade is conducted imposes certain conditions upon it. At any one moment there are many holders of sterling for trading transactions who, if they become anxious about the British financial position, may exchange their sterling for other currencies, in the end obliging the Bank of England to support the price at the cost of our reserves—and as our reserves are only about one quarter of our debts, there is an obvious limit to this process.

There are those who ask, if these burdens are too much, why does not the United Kingdom divest herself of them? Is it merely a desire for prestige? Is it nostalgia for a lost Empire which allows the United Kingdom to indulge in pretensions which her real position no longer warrants? Those who pose such a question show that they do not understand the problem.

Traders must have money with which to conduct their international trade. They cannot all have dollars; there are not enough. They therefore choose, some 30 to 40 per cent of them by value, to use the other currency whose availability is assured by the manner in which the London money market is conducted. If francs or DM were equally easily available they would doubtless use them, but they are not. Paris, Frankfurt and other centres are not orientated for the problem. The £ is therefore willynilly a reserve currency.

A sudden collapse in the value of sterling would mean that 30 to 40 per cent of international traders (by value) would lose their assets. It would be a huge disaster besides which 1931 would be a small matter. That this is recognised is seen by the massive loans which my country has, gratefully, received. However, the repeated anxieties about sterling make it necessary to examine the possibility of having an alternative.

I wish that those who most strongly criticise the present system showed that they were aware that an alternative system is necessary, the more especially in an era where different countries are competing with one another by using high internal interest rates to attract short-term balances from abroad.

First, as an alternative, we have the dollar. I believe that a 40 per cent extra load on the dollar would be too much even for the United States. It would lead to an immediate devaluation of the dollar, and would in any case be politically unacceptable to anyone.

Secondly, there is the possibility of the gold standard, pure and simple. But this is peculiarly inappropriate. The requirements of a reserve currency are that it should be generally available to all in quantities relative to the amount of trade that is being done. Gold is available to some and not to all, and its availability is governed by the amount which can be mined. In addition it is especially subject to political hazards, as we have recently seen.

The third alternative is some form of international currency. Some progress in agreeing on the form of such a currency, if its creation were ever to be agreed, was made by the Ossola Committee, whose report was discussed by the Ministers of the Group of Ten at The Hague last July. It was agreed that such new reserves should be distributed amongst all IMF Members on the basis of IMF quotas or similar criteria. It was, however, stressed that such new reserves should not be used for the financing of individual countries' balance-of-payments deficits.

Indeed, it is worth commenting that no amount of new expertise with the international reserve system can relieve any country from running its domestic affairs with financial self-discipline. That is why we recognise that the United Kingdom balance-of-payments problem is essentially one which the UK must solve by itself.

We are not suggesting that any new form of reserve should take over the role of sterling overnight. Such an act would

amount to the funding of the UK short-term debt, a huge operation which no one has suggested, and even if it were done that would not stop sterling continuing to be used as a reserve currency, for if traders knew that all risks attached to sterling had been removed, doubtless they would be happy to continue to avail themselves of the convenient facilities which the London market offers.

While therefore no deliberate, planned or sudden change can be envisaged, a gradually increasing use of other currencies and perhaps of a specially created system if it comes about, is to be expected. Other currencies will find then that they are in fact being used as reserve currencies in the way that sterling is now used, and they must then realise that if they operate on a strict balance-of-payments basis, they will in fact be removing from world commerce the liquidity which is necessary and may therefore be the cause of a world recession in which they also will suffer. It is the apparent unawareness or negligence of this consequence on the part of those who most criticise the sterling position that troubles and surprises us in the UK.

Suggestions have been made that the United Kingdom could the more quickly correct its position by devaluing the £. Our Prime Minister has repeatedly said that he will not do this, and in this matter he is supported by all shades of political opinion in my country. May I mention some of the reasons for this decision.

First, British exports are not over-priced in relation to their competitors. If by devaluation we reduced the price of our exports still further and increased the price of our imports, there is no reason to suppose that the extra burden on our import bill will in fact be compensated by higher export earnings. It is the high level of internal demand sucking in consumer goods imports which is the principal cause of our difficulty, and it is necessary therefore to tackle internal demand rather than to make our exports attractive in price.

We have a high internal demand because, amongst other reasons, wages have recently increased more than productivity.

This we are in the process of correcting. But if internal prices were artificially raised by devaluation it would increase still further the already great difficulty which our Government are having in imposing the wage freeze. It would also—and this is very important—proportionately increase the burden of repaying our very large overseas debt.

If devaluation were to cause doubts as to whether the British Government's policy will succeed, then far from increasing that confidence devaluation might do exactly the opposite. A flight from sterling to the dollar under the present circumstances would lead almost certainly to devalution of the dollar. No alternative arrangements having yet been agreed, it would cause such dislocation of world trade that it is fair to say that devaluation of the £, instead of being an easy way out for the United Kingdom, would turn out to be an extremely bad solution for us all.

My conclusion from this examination of our balance-of-payments problem and the reserve currency difficulty is that the United Kingdom, with her 13½ billion dollars short-term debt is unlikely for the time being to wish to join EEC whose capital transfer arrangements are in any case not settled; and that EEC is unlikely to wish her to do so. I recall that on 1st September last, Chancellor Erhard, speaking in Norway, said:

> "Britain's present economic problems are not a suitable starting point for an understanding with the Common Market."

Of course, any increase in international trade would hasten a solution, and in this regard may I express to my colleagues the hope that the Kennedy Round will now be allowed to prosper. I was very glad to hear what Mr. Czernetz said about that. There are still any number of technical difficulties in the Kennedy Round negotiations which will allow any country, wishing to do so, to wreck the negotiations while publicly professing that it wants them to succeed. On 1st July next the liberty to negotiate given to the United States President expires.

By then, or about then, we must reach agreement; and any country which pretends that for this or that percentage of a tariff they cannot agree will be wrecking, and will be seen to be wrecking, this measure to liberalise world trade.

I mentioned earlier that some of the negotiating difficulties of 1963 now loom less large. The Commonwealth problem seems less difficult. New Zealand is still in a special position which, however, is no doubt negotiable with good will on the part of the Six. The problem of the agricultural system now worries British farmers much less. Indeed, many would now welcome the EEC system. It is not our farmers, it is our balance of payments which would suffer, because the levy system, as it is at present, would inevitably add some £200 to £250 million a year to our balance-of-trade deficit, and that is a problem which must cause us much concern.

What, then, of the future? First, it seems hardly possible, though I regret to say it, to resume serious negotiations for United Kingdom entry into EEC until the balance of payments is cured, say in three or four years. Secondly, in the meantime the internal cohesion of the two groups of EFTA and EEC will grow. I regret that I must disagree with Mr. Catroux's conclusion in his most able report that the EEC-EFTA trade has been growing more rapidly than intra-EFTA trade. On the contrary, the figures which I have before me, but with which I will not weary the Assembly, show that internal trade is growing faster within each bloc. At the end of this year all industrial tariffs within EFTA will have disappeared and EFTA will then concentrate on other ways of removing obstacles to trade.

The political cohesion of EFTA is increasing. That of EEC, if they will forgive me saying so, is not. The blocs are becoming more alike. At one time any dialogue between such different animals seemed unlikely to be useful. As they become more alike, however, perhaps we can alter our view. I was interested to note that Chancellor Erhard, in the speech during an interview to which I have already referred, in Norway, hinted that such a solution might be a way ahead. Certain it

is that neither in the political nor in the economic field can we be complacent at the continuing division in Europe.

May I single out only one particular aspect which Mr. Catroux has also underlined, that of technological progress. I wonder whether we in Europe are really facing facts as they are. It is said that only a united Europe can equal the economic strength of the U.S.A. or the U.S.S.R. I wonder whether we have not even now already missed that bus. Certainly, a fragmented Europe cannot fail to be absorbed technologically by the U.S.A. Let us consider the figures. Every year the U.S.A. spends four times more on science than the whole of Europe. Her scientific manpower is ten times as great. Each year the United States moves further ahead. We are in a race in which Europe can probably never catch up, let alone win. American industrial strength overflows into Europe more every year. Look at Machines Bull. The Americans bought up the only computer firm in France; and what is more, they did not even do it with dollars but with French francs which they had earned in France. Such actions will be repeated over and over again on an increasing scale in all our countries.

Anyone who thinks he can arrest this process in any other way than by acquiring adequate economic strength deceives himself. It seems to me that probably a free Europe as a whole, and most certainly a fragmented Europe, will be more and more attracted into the American sphere of influence. If any country or partial bloc thinks of forming a kind of club to resist this process, they will very soon find they are president of a club which has no other members. The pretence of economic independence will be seen to be as futile and as self-defeating as is the pretence to political or nuclear independence.

If EFTA and EEC go on as they are for some years they will grow more alike, and this may give an opportunity for them to join together. But, at the same time, they will both be (though EFTA more strongly than EEC) attracted into closer and closer partnership with the United States. I believe EFTA is likely to move first in this direction, and it seems to me

that this would make difficult, if not impossible, any close partnership between EFTA and EEC. The unity which we would then have would be an Atlantic unity, with the U.S.A. as the dominant force, rather than a European unity which could march in partnership with the United States, which is what I believe we all of us here want.

In the meantime, despite the difficulties, there are a number of ways in which all of us here can move towards greater co-operation.

Harmonisation of laws, of fiscal systems, of standards and of commercial practice, each offer fields of useful activity. The Programme of Work of the Council of Europe is a most serious and useful document which sets out in detail what can be done. Cumulatively, these activities might have a decisive effect. We must never forget that though politics have their effects and politicians their powers, the world of production, of buying and of selling continues with an ever-increasing momentum. Business finds ways which are barred to politics but which politics are later glad to recognise. If we can smooth the path of commercial and legal relations, we as politicians may find our difficulties lightened. No political fears or prejudices can stand in the way of this type of work, of which there is much to be done. While the greater questions hang fire, let us press on with this, the more so as it lies within our competence as consultative assemblies. The work of unifying Europe need not stop, and, if the great questions must be put aside for the moment, all the greater is the need to press on with the smaller ways to enlarge and strengthen Europe as a whole. (*Applause.*)

The Chairman (*F*). — Mr. Kershaw, I thank you for your important contribution to the debate and for your statement of the problems which confront us, regardless whether we form the Europe of Six or a broader Europe.

I call Mr. Reverdin.

Mr. Reverdin, *on behalf of the Cultural and Scientific Committee of the Consultative Assembly of the Council of Europe (F).* — Mr. Chairman, Ladies and Gentlemen, allow me to add, as briefly as I can, a few comments on the report in writing you have received somewhat late; our methods of work are unfortunately rather dilatory.

In its work our Committee took as its basis both Section III of Mr. Diomède Catroux's report and the documentation so well assembled in the report to the European Parliament by Mr. Oele. With those working papers before it, the Committee discussed the question of the future of scientific and technological co-operation in Europe.

All of us—and in particular the members of the Committee from countries which are not Members of EEC—observed with much satisfaction the readiness of EEC to throw the door open wide to co-operation by other countries in this regard. Indeed, is not this the sector in which the general subject of our discussions, the extension of the European Community, can be dealt with most happily?

At the outset, let us look at the facts: Europe has established what one may hardly venture to call machinery for technological and scientific co-operation, so empirical and confused is it. Nevertheless, most of the organs set up by it are functioning and carry on useful work, although anyone who approaches matters from the theoretical view point is likely to be disappointed, but the practical results are a matter for comparative satisfaction.

In some new fields, such as space research, however, the confusion in such that it can no longer be tolerated; taking off separately results is a certain wastage of effort by a part of that scientific potential of which we have none too much. Elsewhere—I am thinking particularly of CERN—practical results show that Europe when united in resources of the EEC countries and others—is capable of vying with the great technological and scientific Powers.

We have one piece of luck as regards the future. Our structures have not yet either crystallised or become rigid. The Treaty of Rome is virtually silent on the subject; the Community itself is wondering about a more rational organisation of its work on research, and the whole of Europe with it. Very fortunately, experience has come before theory, and I shall try in a moment to show you that that might well be the most profitable method for us to adopt.

Experience in another sphere, that of economics, has shown us the disastrous situation to which Europe may fall a prey when it solidifies partial structures prematurely. It is, I am convinced, the dearest wish of all of us to find a way out of this absurd division of economic Europe, but no one has yet been able to show now that can be done speedily.

With scientific and technological Europe, this division has not yet hardened. We ought to be grateful. The European Economic Community has set up a Working Party which is studying the problem internally. But this Working Party's terms of reference do not preclude co-operation by other States. This Working Party is composed of persons competent to study the problem practically, whereas we, as parliamentarians, may give our opinion only on the general lines of work. The Working Party might, however, feel some fear lest its work be hampered if it is asked to accept the presence, at this stage, of representatives of other European countries whose technical and scientific potential is not negligible and should be associated with that of the EEC countries in order to help Europe to avert the threat of scientific "satellisation" by the United States and the Soviet Union. The fear lest the labours of the Working Party may be retarded and complicated may indeed be a valid one. But Hesiod, in one of the oldest poems of our common literary heritage, said that men had two ways open before them. One of them flat and apparently easy is very likely to lead nowhere; the other is steep and rough, but anyone who embarks on it has more hope of discerning and then reaching the goal.

I personally believe that, although there might be some danger at first that consultation with other European countries

resolved to participate in this collective effort would cause some slowing down of the Working Party's labours, it would not in fact be time lost in the long run.

That is why our Committee finally put forward the suggestion that you will find at the end of its report. I repeat that, in our opinion, the starting point must essentially be the situation as it exists. The report lists, very summarily, the main European bodies for technological and scientific co-operation. Their membership is not always the same. Some arose from action taken by the former OEEC, others have arisen within the framework of EEC, and yet others are of various origin. I am waiting most impatiently to hear what the representatives of Euratom may be able to say here about the trend observable within EEC to give an enlarged Euratom—and I am glad to acknowledge that Euratom has a very broad experience of co-operation with countries other than those in the Community—to give an enlarged Euratom general tasks in the sphere of European scientific and technological co-operation.

I am, of course, always ready to learn but, until someone proves the contrary, I believe that to suggest an organ of the Six as an instrument of co-operation for the whole of Europe is not perhaps the most practical course.

As I have told you, these thoughts are only fragmentary remarks concerning a report in writing which you have had a chance to read. I should like to conclude with a few reflections suggested to me by Mr. Catroux's written report and by his statement this afternoon.

Mr. Catroux stated that there can be no valid technical and scientific co-operation unless general and political objectives are set beforehand.

Now, Mr. Catroux, I belong to quite a small State, Geneva, which received from France Calvin and his very rigorous intellectual constructs and many other remarkable persons and gave France Rousseau, Madame de Staël and Benjamin Constant.

As a result of these exchanges, it so happens that the authors who have formed my thinking are in many respects the same as yours, so far as philosophy is concerned, so that I should be tempted, like you, to construct models and enjoin reality to conform to them because I regard them as good and valid.

But the small State of which I am citizen is a member of the Swiss Confederation and that has meant that I was brought up to a very special form of political wisdom, which is not wholly unlike that of the United Kingdom or the Scandinavian countries.

I believe that it is essential, if we wish to build, to take as our starting point reality as it exists, to assume it as an hypothesis, together with all its contradictions, to accept the fact that British institutions are rather hard for our rational minds to grasp, and that neutral States cause trouble by refusals to take a stand. These are things which have to be accepted, because that is Europe. If we wish to get anywhere in technology and science, we must take this reality as our starting point even if it is far from satisfactory logically and we must endeavour, by successive trial and error, to construct the forms of co-operation on which in the last resort the independence of Europe and of our common heritage depend.

I do not fear the United States, but I do insist on remaining what I am; that is why I very much fear the day on which there would be none but American satellites round the planet for transmitting television programmes in colour. Anyone holding the controls of such an information system covering the entire planet would have a terrible power at his disposal; the balance would not longer exist and then we should be really threatened.

This is why I think I can interpret the result of our Committee's discussions by saying: let us accept European realities as they are, in all their complexity, however disappointing at times. Let us draw from the potential of all of us, or at least from that of all countries which are ready to co-operate at the

moment, something to ensure for Europe a base of scientific and technological operations such as may enable it truly to become a partner. (*Applause.*)

The Chairman (*F*). — Mr. Reverdin, you said that experience should come before theory. The Assembly will permit its present Chairman to recall that you were at Brunswick in Germany nearly fifteen years ago, with the late Mr. von Brentano, I believe as a Genevese journalist, engaged in trying to prepare the way for a unified Europe or a reconciled Europe which would have made it possible to gather former opponents around the same table or, indeed, at the same assembly.

I thank you for your statement. Like you, I believe that Europe is indeed a complex thing to define and that the merit of a meeting like this is to make it possible to lead all these various paths to a common point in order to find the one along which we can all advance together.

I now call Mr. Hallstein.

Mr. Hallstein, *President of the Commission of the European Economic Community (G.)* — Mr. Chairman, Ladies and Gentlemen, as every year, the Commission of the European Economic Community greets with satisfaction the Joint Meeting of the Consultative Assembly of the Council of Europe and the European Parliament. I am happy at the opportunity of addressing you again today on this occasion. For this is a place in which the solidarity of the peoples of Europe with each other —and this also means with the work of the Community—is most completely in evidence.

I feel all the more justified in saying this in that the Consultative Assembly of the Council of Europe passed a Resolution on 26th January 1966, which is worthy of our closest attention because of the sympathetic attitude it displays towards the European Community. The reports presented to both bodies show clear signs of this attitude, and I should like to convey

my warmest congratulations to the Rapporteurs, Mr. Catroux for the European Parliament and MM. Czernetz, Kershaw and Reverdin for the Consultative Assembly. The outstanding quality of these reports does much to make our task easier. They sum up the problems in a most thorough manner and provide a solid basis for our discussions. I must confess, however, that this very quality places me in a somewhat embarrassing position. I was keenly aware of this when faced with the analysis submitted by the Rapporteur of the European Parliament. The fact that I, speaking on behalf of another Community body, am in a way sitting on the same side of the conference table as he, should not prevent me from congratulating him.

By and large, I can agree with what he has said on behalf of the Parliament of the Community, and this both as regards the questions put and the method followed. I can agree with the diagnosis, whether it be of the present situation or of the future oulook not only in the economic field but also from the psychological angle. In particular, however, I can approve the therapy, i.e. the necessity for economic union and the inadequacy of a mere free trade arrangement—with all the consequences which stem from this fundamental choice ; fidelity to the Treaty of Rome, to the pregnant dynamism of the Community, for which he has coined the striking phrase "success calls for further successes", and with the detailed prospects for successful new negotiations on the widening of the Community.

We agree with the reflections on the technological development of Europe, a problem dealt with by Mr. Reverdin in his excellent report and about which he has spoken with such brilliance. We also approve the judicious comments on the Community's influence on political and economic relations in the world and the consequent responsibilities revolving upon us.

I have little to add to these reports and I shall therefore confine myself to making a few specific points and to stressing certain specific aspects.

It is becoming more and more widely accepted that the only way to extend the European Economic Community is by way of a broad European solution. If one shares this opinion, as the Commission does, the steady development of the European Community is one of the most important prerequisites.

It is on this that I would like to comment first of all. Last year's constitutional crisis once overcome, the Community resumed in March of this year its study of the concrete problems to be solved in accordance with the procedure laid down in the Rome Treaty. Its work has made important progress possible in three respects.

First, it has been possible to fix the date for the completion of the customs union for 1st July 1968.

Secondly, the elaboration of a common agricultural policy is substantially completed. The decisions taken on this question will come into effect, according to product, between 1st November 1967 and 1st July 1968. The importance of the work done on this question—by the member States and the institutions of the Community—is occasionally overshadowed by present differences of opinion on questions of detail. One day, however, this will most likely be considered one of the great achievements of western Europe in the present decade. I am thinking particularly of the voluntary and permanent transfer of important financial resources for the joint financing of agricultural policy, providing European agriculture with the financial support it needs.

The third item on the agenda during the summer's negotiations was the final determination of the Community's position as regards the Kennedy Round. The Committee now has sufficiently comprehensive guidelines covering also the agricultural part of these negotiations which it is to be hoped will soon enter their final phase. One of our main worries during these negotiations will be to ensure that the interests of the economic relations between all the countries of Europe are served. The pro-

posals expressly formulated by the Community to this end are known to you all.

Mr. President, Ladies and Gentlemen, the mere fact that these difficult problems have been solved is proof that the institutions of the Community are working properly. In fact, experience shows that the institutions will either function as foreseen in the Treaty—in which case the Community can develop—or they will not work at all and the Community will mark time. No one has yet found a third solution.

This brief summary of the present situation in European construction would be incomplete if no mention were made of the fact that the Community has completed the second phase of the transitional period and that it started on the third phase on 1st January of this year, that is to say, as soon as was humanly possible.

The decisions of this summer have completed a first great phase of development in the Community—but it is only a first phase. The transitional period comes to an end in 1970. By then we must complete a second great phase of Community development in order to perfect what has so far been only partially achieved, i.e. to give the European economy a complete European order and thus make one economy of the six national economies.

For the citizens, consumers, workers and managers of each member State, the European Economic Community has become a reality conditioning daily economic life.

Politically, too, the European Community is a reality. If it did not exist we might doubt whether the European States would be in a position to find and apply common solutions to questions which touch on vital interests. Its existence is the precedent which can be evoked by all who hope for, desire and demand a common policy not only in the economic and social fields but also in others—and here the Rapporteur of the

European Parliament rightly points to foreign policy and questions of security. Everyone knows that in these fields the member States today go their different ways. European economic integration is nevertheless a stimulating example, not as a model to be slavishly imitated in every detail, but simply because it exists.

True, advances in economic integration are certainly not dependent on such wider unification in other fields. There is hardly anything in economic integration which it would be impossible to achieve because differences of opinion exist on frontier questions, strategic problems or relations between Europe and the United States or the East. This should also be true of the common commercial policy.

On the other hand, economic integration does not lead automatically to complete integration; but, I repeat, by its very existence, and because of the wealth of experience which it makes available, it is a permanent spur to more far-reaching unification. I once expressed this by saying that it produces a propensity to unification which then spreads to these other fields. Mr. Catroux has found another expression which seems to me very felicitous and comes to the same thing: he speaks of "the effect of the Community on the capacity of member States to seek unity in other than purely economic fields".

This political character is probably the main reason why there is today no real alternative to the European Community, if it is really desired to achieve in Western Europe a unification worthy of the name. The elimination of obstacles to trade is important and useful, but it does not mean the unification of Europe, it is not even economic integration. And it is as true as ever that a large preference area aimed only at commercial advantages and not even striving for any political content would hardly be acceptable to the outside world, particularly the United States. This we know from many authoritative statements. Mr. Catroux has set out in detail the legal, institutional and economic reasons—along with the political ones—why the desired inclusion of other European States cannot be brought

about by any means other than the extension of the Community. Extension of the Community basically means extension of this present Community, its principles and the factual situation which it has meanwhile created. I have nothing to add to these reasons.

This justifies the belief—and here I agree with Mr. Kershaw —that the Members of EFTA will seek individually to solve the problem of their relations with EEC and that there will therefore be no package deal.

Mr. Kershaw's report on developments in Great Britain is extremely instructive and obviously the work of a competent observer. We especially welcomed the statement made by the British Foreign Secretary in Stockholm on 6th March 1966, which he quotes. It is also encouraging to know that the Commonwealth question is being approached in a calmer spirit and that this problem, which is naturally of considerable importance, is not being over-dramatised. His account of developments in Britain leads Mr. Kershaw to the conclusion that the debate on the principle of Great Britain's membership can now be considered to have ended in a positive manner. He again informed us of this conclusion only today.

The Commission has noted with pleasure that the trend of thought in almost all the European countries which do not yet belong to the Community has led to quite similar results. The Community is therefore more and more considered, in other European countries too, as the only possible form of constructive economic integration for Europe. As evidence of this I may be allowed to recall once again the Resolution of 26th January 1966, in which the Consultative Assembly of the Council of Europe expressly recognised that a wider European Community offers the best basis for achieving the economic and political unity of Europe. Discussion is increasingly concentrated on the shape which this solution can take in practice. Our experience suggests that the Community expanded by accession of the candidates would still have to be an economic union in conformity with the Treaty of Rome; it would have to include the common

agricultural system and, from the institutional angle, it would have to follow the procedures and rules of the Rome Treaty. The Commission is not blind to the considerable political and economic difficulties which face our European neighbours in this connection.

In the case of Great Britain—and here too, I agree with the Rapporteurs—it should be remembered that although some of the problems which caused us so much worry in the past have now become less important, other difficult questions have taken their place: in the first place, Great Britain's balance-of-payments situation and monetary equilibrium. Everything depends, and our own thoughts on the subject confirm this, on the degree of success achieved in the attempts to arrive at a better financial equilibrium in that country. We all hope that the balance-of-payments situation will soon improve as a result of these measures. Mr. Kershaw has put forward his own cautious estimate of the time required, which he repeated to us here today.

We have also read the remarks made by the Rapporteur of the Consultative Assembly on the situation of the pound and his assessment of this situation with great attention. We agree with his conclusion that the present weakness of the pound is of international concern and that the sudden collapse of this currency would seriously harm world trade.

It is certain that there is no alternative to the European Community, but it is just as certain that the European Economic Community is hardly complete as long as it is not extended to other European States. One of our big tasks continues to be the establishment of a permanent link between the other European States and the Community The European continent is a single entity from many angles—historical, political, geographical—and this entity should be organised as comprehensively as possible. Mr. Czernetz summed up the problem very neatly when he spoke of the need for political collaboration between the economic partners which would at first be on an informal basis, but should gradually be more highly organised.

Since, as Mr. Catroux has put it, the European Economic Community influences the capacity of the member States to seek agreement in fields of action outside the purely economic participation in economic integration is of fundamental importance.

The position is, then, that initially only a few States took part in this attempt, at unification that we call the Community, while others—certainly for reasons which we respect—decided not to join. But that is not the end of the story. Instead of a movement towards unification in which all European States in a position to do so take part right from the beginning, history has so ordered this process that a specific group is formed and that others subsequently join the group.

To reproach this advance party with causing the split or to insinuate that those nations which at first remained aloof wished to prevent European unity is out of place. Reproaches of this kind, if I see it aright, are today a thing of the past.

From the economic angle, too, a widening of the Community is doubtless to everyone's advantage. For close on nine years we have observed in the Community how much economic drive there is in the concept of the Rome Treaty and what it means for the economies of the member States. All these advantages, which have long been known, would in a wider Community be even more effective. Co-operation in scientific and technological development has been rightly singled out for mention in the reports of the two Houses here assembled, for it has become a vital necessity for Europe.

The Community as it is today stands, from the angle of its economic advantages, halfway between a situation where there would be no economic integration at all in Europe and one in which most European States would be fully involved in this process of integration. The assertion that the existence side by side of the European Economic Community and EFTA is economically harmful is therefore correct in so far as an extension of the Community would bring even greater advantages.

It is incorrect if it implies that there has been any absolute loss due to the dichotomy—that the simultaneous existence of the two associations is economically more disadvantageous than if there were neither Community nor EFTA. The published figures for the development of trade in and between the two groups speak for themselves.

An extension of the Community would also alter its relationship to the rest of the world. What material form these changes would take and in what direction they would lead is more difficult to say. One thing that is certain is that such a Community would carry more weight on the world political scene and that this alone would permit a more balanced relationship, on all sides, with both the United States and the Eastern bloc countries.

By this I mean that we Europeans bear a responsibility to the world. Mr. Czernetz has rightly placed this view in the forefront of his considerations. First and foremost we have a responsibility towards ourselves; we have an opportunity to assert ourselves and make our voice heard in world affairs. We must be a factor, a generator of social, economic and political progress. Moreover this is also our responsibility towards others.

Not only is the European Economic Community a reality, but so are those advantages which the existence of the Community, incomplete as it still is, has already brought to the world. Of this I should like to give three examples.

The European Economic Community is in the first place already an element of stability in world economy. On account of the greater flexibility of the pattern of trade in the Community, the member States are in a position to support each other in correcting deviations from the path of equilibrium. The internal stability of this economic power of continental dimensions is already having its effects on the outside world.

Secondly, there are the even more striking arguments concerning trade. European integration has proved to be

advantageous for our trade partners throughout the world. The Community has not turned inwards towards self-sufficiency, nor is it in a position to do so. Mr. Catroux has again pertinently defined the situation. Everybody knows the figures: in 1965 the Community's trade deficit amounted to DM 5,500 million. The prospects for world trade offered by the policy of European unification are already shown by the Kennedy Round which, like the Dillon Round before it, came about because of the successful build-up of the Community. The special attention which Mr. Kershaw devotes to these negotiations is therefore thoroughly justified.

The third example concerns development policy. I think the European Economic Community has, as far as lies within its power, accepted its responsibility in this field too. Its achievements in the world-wide campaign against poverty are there to be seen: its imports from the developing countries were in 1964 about 20 times higher than those of the USSR (45 times higher if trade with Cuba is excluded), fully twice as high as those of the United Kingdom, and considerably higher than those of the United States. This shows clearly the extent to which imports have been boosted through the economic growth promoted in the Community by integration. Since 1958 the Community's imports from the developing countries have risen over twice as quickly as those of the United States. Thus the Common Market offers to the developing countries, as to others, good prospects for exports. Its existence represents for them, too, an element of economic stability.

If trade with the developing countries is not growing at the same record rate as trade with the industrial countries, this is not the fault of European integration but a consequence of the well-known fact that highly industrialised regions develop their trade with similarly developed regions faster than with others.

Economic, geographical and historical ties have directed EEC's development activities primarily towards the Mediterra-

nean area and Africa. European development policy is not, however, limited to certain regions. Trade figures already prove this: our imports from the developing countries as a whole have risen far more sharply than imports from the associated African countries.

In the future, too, the European Community will steadily widen its area of responsibility as it progresses towards unification. The link between today's two subjects is one of cause and effect: the European Community must indeed be widened; and Europe has economic and political responsibilities to shoulder in the world. Would anyone want to deny this?

Mr. President, Ladies and Gentlemen, your problems are also ours. (*Applause.*)

The Chairman (*F*). — Thank you, Mr. Hallstein.

I now call Mr. Sassen.

Mr. Sassen, *Member of the Euratom Commission* (*F*). — Mr. Chairman, Ladies and Gentlemen, the Joint Meeting of the two Assemblies is once more proving an important and eminently useful event.

It makes us better aware of the full scope of Europe; it gives us an opportunity to render an account to our colleagues and to our friends from other European countries of the activities of the Communities and to exchange views with them on Europe's future in the light of the present state of affairs and, in general, to seek genuinely practical solutions in common, on the basis of that state of affairs.

Mr. Chairman, I have the rare privilege of attending the Joint Meeting for the thirteenth time, although it has not always been in the same capacity. On the strength of this experience,

let me tell you that this meeting is noteworthy for the exceptional and outstanding level of the reports presented to you.

I therefore wholeheartedly endorse Mr. Hallstein's congratulations to the Rapporteurs of the two Assemblies.

The first thing to bear in mind about Europe is that it is divided into three parts. First, six States Members of the Luxembourg and Brussels Communities; second, the countries of the European Free Trade Association, and, third, the so-called countries of the East.

At the present juncture, we must take those countries too into consideration when we are thinking of Europe.

Mr. Reverdin called the division between the Six and the Seven in the sphere of co-operation, of which Mr. Czernetz spoke in his report, a "great misfortune". On the other hand, Mr. Catroux adopted a more subtle and, in my opinion, more realistic approach to this division. Mr. Hallstein put forward some comments in this connection which merit our consideration.

This division of Europe into three parts is indeed a great misfortune. It is even a real tragedy, especially when it is borne in mind that it is the reason why one of our countries is cut in two.

Mr. Chairman, our Assembly will readily appreciate that everything affecting research and scientific policy, technological development, their part in the advance and spread of Europe and the need to take vigorous, speedy and concerted action in these fields in order that Europe shall conserve its youth and its own proper place in the world and so avoid becoming dependent on others, has been of particular concern to the Euratom Commission, of which I am a member.

It would be rather surprising to find described as "narrowness" any solution that gave, or was to give, Euratom its full

scope. Far be it from me to intervene in any possible jurisdictional disputes, which are useless and unfruitful, but I do feel that Euratom's experience in this field is unique and even irreplaceable and that it will prove essential for all projects to be carried out in the future.

This experience must be made available to any extension of activities in the fields which concern us; otherwise, the operations proposed will once again be retarded and the stumbling blocks, which have already been adequately explored, as I can assure you, Mr. Chairman, will not be avoided.

We have, it is true, acquired experience in nuclear matters. But it should not be overlooked that this field is less of a "sector" than might be thought, since it embraces physics, chemistry, biology, technology, electronics and yet more subjects, and at an extremely high level of advanced research and "nuclear purity".

The experiments we have conducted not only cover a whole and varied range of science and technology, but also extend to other aspects of the framing and execution of a policy and concerted action with regard to research and technological development.

They deal, *inter alia,* with the inseparable link between the conception and the execution of research programmes, the methods and degree of decentralisation in their execution, and ways of controlling their development in the light of successes, setbacks or delays.

They also deal with the relationship and some form of balance between basic research and applied research.

They deal with the problems connected with the dissemination of knowledge, of patents and licences and with the interests of member States when national defence requires a certain limitation of such dissemination.

They deal with the transition between the stages of scientific research and industrial utilisation; the relationships between public and private bodies in this context; co-operation and co-ordination of their activities and concerted action.

They deal with the influence of the essentially peaceful mission of a community such as Euratom in a sphere of research and techniques which have and may have both military and peaceful uses.

They deal with very flexible possibilities and the very fertile results of a whole range of co-operative activities of both a general and a more specific nature as between Euratom and third countries or specialised national or international bodies, particularly with the United States, Great Britain, Canada, Sweden and other third countries.

They also deal with the way in which such co-operative activities spread and assume their full scope.

Furthermore, in the field which concerns us Europe should in this way avoid dependence and prove itself sufficiently realistic to mistrust the illusion of independence. It should, however, take concerted action and gather strength in order to enable inter-dependence to have free play.

Our experiments also relate to the manifold ways of executing research and development programmes. Among them are activities of Euratom's own, confined to the Community; association; research on contract, financed wholly by the Community or with shared costs; participation in joint international projects, such as the Halden reactor in Norway and the Dragon project in Great Britain; the establishment of joint undertakings or participation in national programmes or in activities which concern several member States or undertakings but are not included in a joint programme in the strict sense; and, lastly, the longer-term indicative programmes recently published by us.

The Euratom Commission has on its agenda at the present stage, as a task of major importance, the drafting of a report on the experience acquired by Euratom with regard to scientific and technological research policies and the preparation of a programme of future activities by the Community of a different and, above all, more diversified nature than the first and second five-year research programmes.

The Community must prepare immediately for the onset of nuclear work, although this field is still wholly in the development stage.

Our experience will, of course, be available to all those interested who wish to benefit and derive useful lessons from it. The basic concepts and the guide lines of a programme of future activities by the Community have been the subject of a preliminary communication by the Commission to the Advisory Committee on Nuclear Research and of a preliminary discussion within that Committee only a few days ago.

Obviously, all our experiments have not been successful. They are real experiments, but the successful results obtained, the encouraging results to be glimpsed, as also the disappointments which inevitably attend any activity of such a hazardous nature as scientific research and technological development, all that should and can be material from which we can learn.

They are real experiments because they result from a multi-national activity which has now lasted almost nine years; their financing is in the region of 1,000 million units of account, including the contributions of the Community itself and of its associates.

This activity has been carried on by multi-national teams from the Community and from outside the Community which in itself is of inestimable and, I venture to say, fascinating psychological, scientific and technical value.

Mr. Chairman, I feel that to speak up for the advantages and characteristics of Community action in this Hall is otiose.

Mr. Catroux's comparison in his admirable report between Community structures and procedures and mere co-operation devoid of Community characteristics is sufficiently telling and convincing. If, however, the Rapporteur of the European Parliament will allow me, I shall raise two objections relating to the sphere with which I have been dealing.

First, he lays too much stress, in my opinion, on the relation between research and technical development on the one hand and the military aspect on the other. Euratom's experience well shows that large-scale programmes developing over several years and Community activities of a statutory nature are feasible without infringing the interests of member States, or of a member State, in the sphere of defence, provided that clear-sightedness, good will and intelligence are displayed on either side.

That does not mean that I would not be in favour of a more unified Europe in foreign policy and defence too. Quite the reverse.

Mr. Catroux has spelled out what still debars us for the time being from European unification. At the same time, and like Mr. Reverdin, he has pleaded impressively and more than convincingly against deferring a start to large-scale activity, an activity, on a truly European scale, for scientific research and technical and industrial development in order to maintain Europe's industrial standing in the world.

I endorse these pleas so fervently that I would be averse to weakening them by adding further arguments, for they are wholly compatible with what the Euratom Commission itself has already written in the introductions to its most recent annual reports.

My second objection to Mr. Catroux's report is that he might have brought out more clearly how eight years of Community activity in that field have contributed and helped, through the very existence of institutional structures, to make good delays,

to make up for others and even to achieve some advances. However, even in this sphere gaps still exist, due mainly to the fact that industrial nuclear organisation in our six countries has not yet acquired a properly European scale.

Mr. Chairman, I should like to conclude my statement by saying that the most eloquent and the most convincing arguments to induce us to concert our efforts in science, technology and industrial development are of no great avail so long as the firm and consistent political will to initiate and set afoot a large-scale lasting and irreversible activity has not been displayed in a realistic, effective and creative manner Once this creative political will has taken form, the structures and procedures will be established, the appropriate organisations will be found, and, above all, durable institutions will be set up with the capacity for effective action and it will be possible to entrust them with very large financial resources, likewise on a European scale.

At that time the ways and means will also certainly be found to establish a framework for these activities, a framework which will be enlarged by a whole range of possibilities of association, co-operation, and joint and other undertakings, as our experience has taught us, but in any case a framework of which it will be possible truly to say once more what Mr. Jean Monnet, the then President of the ECSC High Authority, said in 1952, that its limits are set by those who are unwilling to enter it.

Let us hope that this assumption will once more become a reality in the near future. Let us hope that the number of members will be as large as possible and that there will no longer be States which would wish to accede but cannot, because they are not free to do so.

Mr. Chairman, we should always bear this well in mind because it really is an element in European responsibility. (*Applause.*)

The Chairman (*F*). — Thank you, Mr. Sassen, for your admirable reply to the reports by Mr. Catroux and Mr. Reverdin.

Ladies and Gentlemen, I welcome the presence in this Hall of the Chairman of the Committee of Ministers of the Council of Europe and the President of the Court of Justice of the European Community. (*Applause.*)

I call Mr. Del Bo.

Mr. Del Bo, *President of the High Authority of ECSC (I).* — Mr. Chairman, Ladies and Gentlemen, I should like to express my gratitude for the opportunity afforded the High Authority to expound, through me and before an assembly representing more than 300 million European citizens, its point of view on the general subject of Europe's position in the work and the more particular problem of the possible enlargement of the European Economic Community.

I shall say by way of introduction that the High Authority fully endorses the substance of the report presented by Mr. Catroux. Some basic propositions can, in my opinion, be extracted from it. In the first place, the European Economic Community must prepare for its extension as quickly as possible, while maintaining its institutional character, and certain gaps and delays, especially in technological progress and industrialisation, should be eliminated.

In the second place, it should be borne in mind that European economic integration has appreciable implications for economic policy and also, I might say, for the direction of general policy as a whole.

Lastly, and this is perhaps the most important consideration, there is the fact that all these aspects of the problem have a reciprocal effect and are quite inexorably interdependent.

One passage in Mr. Catroux' report deserves the closest attention and that is his affirmation that Europe has an economic responsibility, a political responsibility, and even a moral responsibility towards all the other regions of the world.

We are therefore in duty bound to take this factual situation into account, and it is for the European Economic Communities to devote themselves not only to the problems of economic integration and the organisation of the Common Market in products within their competence, but also to seek an effective and fruitful solution of the problems of relations between these European Economic Communities and third countries, both industrialised and developing.

We are compelled, however, to note here that while it is true that the authors of the Treaty of Paris and the two Treaties of Rome, especially from the point of view of the ultimate objectives, conceived of the Communities as open organisations, the Treaties governing those Communities, and in particular the Treaty of Paris, which governs the Coal and Steel Community, do not give the Executives adequate instruments for the immediate and speedy solution of the problems involved in the relations of the member States of the Community and of the Community itself with third countries.

We are thus faced with a real issue of methodology: the more urgent these problems are, and the more keenly aware of them we become, the more we find ourselves obliged to modernise the judicial instruments at our disposal.

The Executives of the European Communities must therefore display in their daily work remarkable gifts of imagination, coherence and tenacity in their dealings with the Governments of member States, which must be induced to fill the gaps in the Treaty and be persuaded to accept certain pragmatic solutions, which, simply because they are such, must be regarded as urgent and brooking no delay.

If we look at one of the products within the competence of the Coal and Steel Community, steel itself, the truth of what I am trying to say leaps to the eye.

Steel is the foundation of any process of industrialisation and remains today one of the basic factors of the contemporary economy. The High Authority of the Coal and Steel Commu-

nity responsible for the organisation of this basic industry inside the Common Market has to concern itself continuously within the Community with the modernisation, transformation and rationalisation of the undertakings producing steel.

But its duties do not stop here. The High Authority must at the same time concern itself with evaluating the problem on the world scale, taking into account the trend of production and trade in all the countries concerned.

Many of those who are pondering the problem of steel production today reach the conclusion, too simplified in my view, that there is at present an over-production of steel in the world. I do not believe that this picture can be regarded as accurate, and I think it would be more correct to state that there is a persistent imbalance in the world today, in part deliberate, between the supply of and the demand for steel. If we look at what is happening at present in the large third countries which are steel producers, we shall find there too a striking confirmation of what I have just stated.

During the next five years, i.e. up to 1971, the Soviet Union is expecting to increase its own steel production by 40 per cent. In other terms, its programme is to advance from a current production of 91 million tons to an output of 126 million tons. As to the reason for this programme, the political and economic authorities of the Soviet Union reply that this increase is planned first to meet the ever-growing needs of the domestic market, secondly to augment exports, and lastly to meet the requirements of the developing countries.

In Japan there is an impressive programme for the concentration of undertakings. Even now the producer combines are in a position to place 7 to 8 million tons on the market annually (in 1980 Japanese industry expects to produce 80 million tons of steel) and the Tokyo Government is encouraging the development of exports.

If we turn our attention to the United States of America, it is easy to see, despite the lack of detailed information,

that output is continuously increasing. It is estimated that 2,300 million dollars will be invested in the iron and steel industry in 1966, which will inevitably have important consequences in the placing of ever-increasing quantities of steel products on the world market.

In the African States the international organisations are trying to induce the Governments to unite their efforts and engage in joint production, and at the same time they are endeavouring to promote the manifold moves towards a diversification of the types of production. These attempts are not always successful, for due account has to be taken of the fragmentation of economies which has been going on for some time in Africa, and it must also be remembered that the Governments of these new States are confronted with a multitude of such vast problems that they sometimes do not succeed in finding satisfactory solutions.

In some Latin American countries—for example in Brazil and Argentina—the discrepancy between supply and demand in steel had begun to show. Throughout Latin America there is in fact a disparity between the impressive potential of crude steel production and the sometimes inadequate capacity of the rolling mills.

All these are problems which also exist in other large third countries—in Asia, for example, especially in India and Pakistan.

It is the High Authority's duty, as expressly provided in the Treaty of Paris, to report to the Governments of member States on trends in the world markets for steel, to forecast certain approaching and sometimes imminent situations, and to indicate satisfactory solutions. To this end, the High Authority has worked out some practical solutions; it has established an office in Latin America for the purpose of exchanging information between the High Authority and the Governments of States whose steel industry is currently making an effort at integration through the Latin American Iron and Steel Institute.

At the same time, the High Authority has concluded an agreement for the purpose of exchanging information with the Japanese iron and steel industry and, pending the merger of the institutions, it maintains, within the limits permitted by the Treaty, every possible contact with the associated African States and Madagascar.

Lastly, if we turn our attention to the general tariff negotiations in GATT commonly known as the Kennedy Round, it will be noted that the High Authority is taking a consistent attitude here too. It is convinced that for a very special kind of production such as the iron and steel industry an adequate degree of protection must be guaranteed, but it is attempting at the same time to ensure that that degree of protection is as nearly equal as possible among all the large steel-producing States.

Only if this aim is achieved will the essential improvement occur in the trade in steel products.

In conclusion, permit me also to point out that the solutions we have outlined so far are necessarily partial and unsatisfactory, and that none of us can hide behind the old conception and the false myth of world over-production of steel. None of us can, in fact, forget that in broad regions of the world, on whole continents, requirements exist and needs become manifest, whether conscious or still latent, which must be met.

Our duty is, therefore, to concert our action and to try to meet these needs, to move towards the ncessary improvement of living standards in all the countries of the world, and to achieve a system of fair distribution.

In order to attain his vital result, an effective, and not merely verbal, harmony must be established between the political action of the industrialised States and collective action by the developing States. It is in this sense that we must stress the moral responsibility of the nations of the European continent towards the nations of other continents and other regions of the world.

By fulfilling those needs, by meeting those demands, Europe will not only be performing a duty but will at the same time be serving one of its basic interests. If this unfortunately failed to happen, we would have to draw the gloomy conclusion that there is no longer any historical justification for Europe's economic prosperity, for the industrialisation of the nations we represent, or even for those initiatives in economic integration which so happily express and characterise the six States of the Community. (*Applause.*)

The Chairman (*F*). — Thank you, Mr. President. We shall continue to sit until about 7.15 p.m. A number of members wish to speak this evening, as they will not be here tomorrow. I therefore ask all members who are going to speak now to try to be brief.

Mr. Furler (*G*). — Mr. Chairman, Ladies and Gentlemen, as I have the honour of opening the debate, I may perhaps be allowed to make a few brief general comments about it. The members of the European Parliament and the Consultative Assembly of the Council of Europe have been meeting together once a year for about a decade now in order to discuss a theme which previously never varied—that is, what special measures in the European field the Six had achieved during the year: the Six who are linked together more closely than other States by the European Coal and Steel Community, the European Economic Community and Euratom.

This theme, however, has fallen somewhat by the wayside and it has been felt that more modern, interesting and general themes should be found to back up the printed reports and should be spread over a somewhat wider field.

We have now heard the reports introduced here. I am thankful to say that they mainly take the same line as was followed at earlier Joint Meetings. But they too—and here I am referring to the remarks not of the Chairmen but of the Rapporteurs—have their strong and weak points. I am grateful to the Rapporteurs for their contributions. But there are two

dangers to which I should like to call your attention because they may cause some confusion in our debate.

The first is that our discussions may be too general (*applause*), that we tend to talk about atomic threats, Russia and China, population explosions and the domination of Stone Age man and other matters which have no direct connection with our European work. True, they form a wonderfully interesting background to our lives, our hopes and fears, but they should not form the prime subject of this debate.

The other danger is that in order to present a measure of common agreement, a European optimism, a community of interest, we may fail to be sufficiently down-to-earth. I personally believe that Mr. Catroux's report, although of great value, was sometimes too general in its political part. It did not become concrete in specific questions which were left open and which I myself would probably have expressed differently. I do not think we have come here in order to discuss generalities and to veil matters in a charming autumn mist in the hope that the sun will later shine through it. No, we also want to talk to each other about differing attitudes and the causes of the difficulties that beset us. I think that this is the only way to further the great European debate.

Let me now offer a few brief comments on the achievements of the European Community, especially the Economic Community, since this is the main focus of interest and also of criticism. I am glad that Dr. Hallstein has told us once again in a few concise words what has been happening in this field. We should appreciate the fact that EEC has managed to make the common agricultural policy a reality, a task which was regarded as almost impossible, which has not been accomplished anywhere else in the world and which even EFTA has never tried to tackle. As an achievement it not ony spells progress within the Community but is a factor which may affect the whole range of European politics. You will therefore understand that I regard it as a wholly positive development even though there may be differing opinions, perhaps expressed in five distinctions, about

the agricultural policy and how it may best be financed within EEC. It is a great triumph none the less.

A similar triumph has also been recorded in the field of anti-cyclical policy, not only a subject of common interest but of common action. Efforts have thus been made to press even further forward.

It has been decided that there will be a full customs union at latest by 1st July 1968—that is, considerably earlier than was laid down in the Treaty. This too is a factor of considerable import.

You can see what progress is being made. The reality of EEC is becoming constantly more apparent, although we have also gone through a crisis, a most painful one, about which I am of the opinion that while its external consequences have been overcome, the same is not yet wholly true of its internal ones. This is a continuing crisis which, although it does not completely paralyse our action, will hamper us for a long time, although not for ever, from making certain advances in the economic field as quickly as we had hoped.

I have just spoken about certain internal achievements of EEC which are palpably effective. But we also want external progress. I do not like the term "geographical extension" of EEC because I think it strikes a false note. As EEC is not a State, it has no State territory. Yet it has States as Members and Associate Members which have their own territories, and further States may join this larger community.

There is one crucial problem: the entry of Britain. To put it in a nutshell, there is the general problem of the admission of further countries. We should be deluding ourselves if we thought a big free trade area could still bring any kind of order into the situation of Europe. The time for that ran out eight years ago, and even misplaced remarks by leading statesmen cannot fool us into believing that such a notion still corresponds to reality, any more than "bridge-building" does. I believe there

is only one realistic solution and that is to overcome the schismatic development of Europe by a still greater concentration on EEC, even if it is only an economic community. For if one thing is indisputable in the modern world, it is that economic policy also has political undertones. External affairs and defence, however important they may be, no longer have a monopoly of matters political. But it would also be illusory to seek a political union when everyone can see that for a long time at least it can simply not be achieved to any great extent.

However, even though we may realise that the entry of Britain is not for the immediate future, it is nevertheless important to see how far public opinion and the thinking of Governments have gone. Nor should we forget—and this is very important in weighing up many factors—that in 1961/62 we were on the way to reaching this important aim, and with it the solution of the EEC/EFTA problem, thereby also creating the greater union of Europe. But these negotiations, as Dr. Hallstein told us earlier at a likewise critical time, did not fail because of their inherent difficulties. No, they failed because of political and very personal attitudes: because one country, France, applied the veto and said: "the time is not yet ripe" or perhaps "for certain reasons it would not work" or "I do not want it to work".

But at that time we also had difficulties over the agricultural policy. Everyone said they would be hard to overcome. We might have overcome them then. But I think we can still remove them, although the agreement on a common agricultural policy has meanwhile resulted in conditions quite different from those obtaining in Britain, for example. This morning one of my friends said: "They both run so differently—one on the hands, the other on the feet". I think they can both fall on their feet again, and I think that the differences in agricultural policy would in the long run give no reason for unmitigated pessimism about the future.

In the report of our British colleague who spoke on behalf of the Economic Committee of the Council of Europe, the

sterling crisis is discussed for ten or more pages. This is naturally very interesting and I think it very fair of that speaker to have said that as long as Britain could not put her own affairs in order, she could not and would not enter the Economic Community.

It would, however, lead to a false judgment of European political realities to assume that this sterling crisis would really be a final hindrance to British entry or to an extension of the Community. I believe that this hindrance, too, can be overcome and I believe that we could help to overcome it. But I do not believe that we can conquer it within the Community alone. When Italy had its lira crisis, although she was a Member of our Economic Community, a general effort to help her overcome the crisis was made, even outside this Community, although naturally, in terms of value, the differences are very big.

Perhaps I may be allowed a reminiscence at this point to illustrate the attitude which we as Europeans must take over such things. No one can say that when we were in process of establishing the Treaties in 1956 and 1957, the franc was a specially stable currency. France had her economic and political difficulties and we saw them. But none of the other Europeans had the idea of saying: "We shall have to put the whole thing off: France should not enter because she has an economic crisis, because she has troubles with the franc, with her currency."

On the contrary, we gave her help, we made special arrangements because we could not imagine that already in 1958 the whole problem would be solved, that in the second half of that year a big advance would be made by France towards creating the general conditions for a stronger economic integration.

To turn to the present situation, the sterling crisis is neither a final obstacle to extended economic integration, nor a reason why any of our Members should refuse to allow such an extension so as to take in Great Britain. This is a fundamental question and it deserves repeated discussion. One cannot, I

think, assume—though I should be very glad to see it happen—that accession will take place in the next year or two, for all the important arguments against it have not yet been answered and in any case the provisions of the Treaty clearly state that the veto of a single country suffices to prevent it.

But we also want to extend our sphere of influence to other regions. We have associations with Greece and Turkey and negotiations are going on with Austria. I should like to express the hope that you will do all you can to speed up these negotiations, for we must surely all agree that they are dragging on too long. The difficulties are certainly not so great that they cannot be overcome in a fairly short time. I believe it is also the view of our Austrian friends that we should not wait too long in the antechamber before reaching a real solution.

But EEC has also done other things. We have the African associations. Do not let us overlook them! They are facts, hard practical facts which may even influence world politics. We have a new association with Nigeria and I have just learnt that one of my own hobby-horses, the association of Kenya, Uganda and Tanzania, is now coming somewhat closer to concrete achievement. I hope the news that I have received on this subject is true. Thus here too we must be aware that real developments are taking place and no doubt we should be well advised to foster them and encourage still further advances.

But, as I just said, we cannot expect any global or ready-made solutions. We live in the world of reality; we know we have great difficulties even within EEC. Yet patient progress is our aim: we must not fall into despair, but at the same time we should avoid too much optimism, which may well lead to our disappointing non-member nations We must rather see things as they really are and distinguish between what is impossible and what in the long run is inevitable in Europe. After all, the life of Europe is not measured only in one or two decades, and in due course there may well be inevitable developments that conspire to remove the inner European difficulties.

It is naturally a pity that EEC and EFTA exist side by side. Nor is it true that both groups are becoming ever more similar. I doubt if they can; their tasks are too different. But I do not believe that in the long run their co-existence will continue to be unimportant in its effects on economic policy and trade. So far we have been lucky. The European economy as a whole is going through a prolonged period of boom. If conditions were to change, it would be very bad that seriously competing unions should exist side by side. As Dr. Hallstein said, the advantage of a merger would be that EFTA would benefit still more if it were no longer just EFTA but part of a larger European Community.

I should therefore like to propose that we continue the discussion in a very real and practical way and with a certain forward impulsion, that we should not speak too negatively. Let us, in short, not be completely without hope. This European politics is a game of patience, which must be played with much skill and tenacity. We have aims and methods, which we all consider to be the right ones and which we can put into effect systematically—even if sometimes not very quickly.

Let us not take any false step. Rather let us move slowly, but let us remain on the right path! (*Applause.*)

The Chairman (*F*). — I call Mr. Oele.

Mr. Oele (*N*). — Mr. Chairman, I shall confine my remarks to the subject of scientific co-operation in Europe. I noted with great interest the ideas on the subject expressed by my colleagues, Mr. Catroux and Mr. Reverdin, in their reports,

From these reports it is evident that politically speaking there is indeed great eagerness to move forward in the matter of science policy, though at the same time the political difficulties are not underestimated.

Considerable sense of reality is apparent in the evaluation of these problems in the reports of both Mr. Catroux and

Mr. Reverdin, and for this I think we have every reason to be grateful to the Rapporteurs.

It is always sound policy not to be over-optimistic about things but to view each case realistically. However, the question does arise whether the difficulties are not being overrated. I will revert to this point presently; but in contributing now to this debate I wish to keep my eyes open to the facts.

Mr. Chairman, in weighing up these facts I should like to keep the special nature of science policy in view. I should like to consider what are the minimum requirements of a viable policy, more particularly in relation to its execution in an international context.

A first, purely material, requirement is that an organisation should be provided in which almost constant co-operation is possible between the politicians responsible for the policy and the scientists who assist in carrying it out.

It is not for nothing that I use the word "organisation", thus stressing the framework within which such co-operation is to come about. If we want to create a tenable, wide-ranging international science policy, one that is capable of future expansion to become a platform for further co-operation, then an organisation with expert knowledge is essential.

In the first place, such an organisation is necessary to ensure that the requisite manpower and competence are available to judge the financial implications of the desired research programmes and projects which are frequently very costly.

An expert organisation is also necessary for another reason, in order, by comparing alternative research possibilities to arrive at selective decisions—the only way in which a course of action of truly political stature can be pursued.

A second, no less material, requirement for the satisfactory implementation of an international science policy is that the need

for medium to long-term planning and consequently for long-term budgeting, should be taken into consideration.

Scientific research, especially technical development work, is a very long-drawn-out business. Projects of five or even ten years are not exceptional. In particular, projects which stimulate technical development and economic growth make considerable demands on the financial capacity and staying power of the participating States, which have to commit themselves for quite long periods.

Far-reaching agreement is also necessary on the extent to which joint scientific research and technical development work may be considered as a factor of economic growth.

In the last resort agreement is necessary on the basic requirements of medium-term economic policy, for in the long run our economic development will be three quarters or even ninety per cent dependent on what new things our scientists bring into being in their laboratories and research departments.

When we consider this material aspect of long-term planning we must not forget that invariably in the course of a programme or project, certain ambitious plans emerge, execution of by no means all of which can be considered.

Experience shows that it is not easy, though it is necessary, to use the pruning hook each year.

My political friends and I consider that in any remotely coherent science policy worthy of the name, even in an international context, such supervision cannot be left to the representatives of national Governments. It would be an unpleasant business for the parties concerned. I do not think I need mention any examples from recent practice—but a number will be found in Mr. Catroux's report.

Thus even in the organisation of science policy there is a call at some stage for a competent authority to which the

technical and financial supervision of programmes and projects can confidently be left. Such an organ will succeed in this task only if it commands the necessary supranational powers.

Beside these two material points there is a third aspect of science policy which affects the role allotted to it in co-operation between States. This is that the total effort must be judged in the light of the more general objectives of economic and social policy. That is a political requirement which applies even to a well-organised science policy and takes precedence in all respects over the material conditions I have mentioned.

But in any event, the funds available are not inexhaustible. It will not be enough simply to spend them with a view to their maximum effect; such spending will also have to be weighed against other forms of stimulative activity by the authorities at national, international, Community and supranational level.

Just because big amounts are involved here, it will be necessary to appreciate fully at the outset the value to be attached to the maintenance of competitive capacity, and with it of economic independence, throughout the whole course of scientific co-operation.

In so doing we do not think the possible alternative forms of spending—on assistance to developing countries or on social progress—can be allowed to disappear from view.

This is all the more true in that a powerful stimulus can be given to the achievement of these very objectives by separate scientific research planned specifically for the purpose. I will not attempt to go further into these purely political aspects here. However, they cannot be neglected, for in my view we must ensure that this discussion of the problem does not lead us to a Europe that partakes of the nature of a standardised technocratic super-State in which part of our diversity and perhaps an even greater part of our democracy are abandoned.

At this point I should like to draw a provisional conclusion

from my remarks. It is that, for a viable science policy in a European context, directing organs with freedom of action are necessary, directing organs endowed from the outset with powers and points of contact for democratic supervision, the elements of which are possessed by the organs of the Six.

The question that concerns us here is how the other European States can be brought into the Community science policy as its beginnings become visible. For this purpose it is necessary that they should first make a real contribution of equal value and, secondly, derive the full profit from it for their own economic development. A third prerequisite, however, is that the entry of other European States should not weaken the control of research, have the effect of diluting power or cause the *élan* and dynamism to fade; in short a clear organic structure must still be possible.

I do not propose to shirk this question, which is indeed the key question. Mr. Reverdin mentioned the activities of the *Groupe Maréchal*, the working party of the six Governments which, in the context of medium-term economic planning, is working on proposals for further scientific co-operation. He noted that here the door can be kept open for wider European co-operation, perhaps in the form of special association agreements. I am at one with him in thinking that such possibilities do exist in principle and that we must try to make use of them.

However, in doing so—and this again is a matter of keeping our sense of reality—we must appreciate that possibilities for co-operation vary very widely according to the different fields of research. On the one hand we have pure research, and on the other applied research of non-commercial, entirely general, significance. There are no great difficulties here, as the many existing international research organisations prove. There is no doubt that these can be put on a wider and more extensive basis and thereafter acquire a structure that will make possible the inner dynamism and the *élan* of which I spoke just now.

There are, for instance, possibilities in the sphere of co-ordination of scientific research, which have already been exploited in part, possibilities on the lines of advanced institutes for higher scientific education, which we do not yet have here but which already exist in the United States of America. Thus even that is nothing new. There are also possibilities in the fields of molecular biochemistry and oceanographic research and in the campaigns against air and water pollution and road accidents.

Mr. Chairman, none of this raises any enormous problems of principle. There is another sphere in which the possibilities are far greater, the sphere which is of the greatest importance for economic growth. I refer to the costly projects of research with a technical slant. Such projects, more than any other activity whatever, provide a direct stimulus to industrial development and economic growth. This is where weighty decisions are required. When we resolve to launch communication satellites from Europe, to engage in rocket research, to tackle the problem of converting, say, sea-water into fresh water, these are extremely expensive affairs which may give tremendous stimulation to an industry. However, they are also such wide questions that agreement is necessary on the place such research should be given in industrial development.

For instance, it is much more expensive to develop a European airbus than to provide a temporary flow of money to encourage cancer research. I do not propose to go into the need for such research here.

At the beginning of my remarks I mentioned three conditions for success in this interesting kind of research in the context of an organic science policy forming an integral part of economic policy.

Now that we are discussing the possibilities of wider economic co-operation I would invite your attention to two matters which are of at least equal importance in this context. There must be agreement on the way in which the industries of the participating States are to be brought in and given control

over the commercial exploitation of discoveries resulting from such joint research.

A member of the European Atomic Energy Commission, Mr. Sassen, drew attention just now to the great importance of this matter. I think Mr. Sassen also pointed out—and I should like to underline this—that we need greater frankness and intensive sharing of knowledge, in particular with regard to discoveries that have been made with the aid of Community or government funds. Mr. President, a great, great deal remains to be desired here.

Reference has been made in this debate to the lead enjoyed by the United States. It is true that the material possibilities and the size of the United States market have played a decisive role here, but it is also a fact that greater frankness and wider possibilities for diffusion of knowledge in this sphere are at least as important.

In this field, then, there is still much to be desired in Europe.

A high degree of mobility among investigators and research workers is accepted in the United States far more readily than in Europe. In America they are very communicative, at least in important spheres in which the growth is so large—I am thinking here of electronics. News of technical importance in commerce is readily given to competitor firms by telephone, for they all know each other. Congresses in America are veritable labour exchanges. All this, we must not forget, is fostered by the Government, which preaches an antimonopolistic morality and pays directly and indirectly for much valuable research.

A simplified system of patents can also do its bit here.

Mr. Chairman, when we consider these matters it becomes clear that it is not sufficient in order to achieve wider European co-operation, to embark on one interesting project. For broader economic collaboration it would be necessary to work on a wider

front. I should like to make a few appropriate suggestions, though these cannot be the ultimate wisdom in this sphere. In any case, I expect that valuable suggestions will also be put forward for such co-operation, more particularly in the Working Party I mentioned just now but also in the course of co-operation between the High Authority and the Commissions of Euratom and EEC.

It should be possible to move forward by considering what can be achieved, not by a single project, but by a combination of projects. I think that without a doubt there are considerable possibilities in this direction. These possibilities will be greater to the extent that competition between States and groups of States moves from the sector of defence to the economic sector. We shut our eyes to this reality if we fail to recognise the existence of the shift.

It would be wrong to think that, now and in the years to come, the sectors of defence and foreign policy will provide the essential background to policy in the sphere of scientific research. A plain change is already taking place. We are moving much more clearly in the direction of projects with a considerable by-product of civilian knowledge or directed exclusively to the furnishing of such knowledge.

It is notorious that when one confines oneself to pure defence projects, especially those of an atomic nature, these by-products are of no value whatsoever. When one goes below the surface of the ocean in an atomic submarine one learns nothing, or at any rate very little, in the sphere of oceanography. However, if one makes special apparatus and diving instruments in order to investigate the sea bed and the deeper reaches of the ocean, one learns a tremendous amount. This may be of great importance for our industrial future.

Mr. Chairman, I do not think we would get anywhere simply by stating, and possibly carrying out, a number of projects. As I have already indicated, in addition to this it is necessary to have a policy for the diffusion and sharing of

knowledge and a policy for its organisation. In this context I should like to mention the accelerated harmonisation and simplification of European patents legislation and the organisation of a supra-Community agency for research and development projects of a supra-Community character.

I should also like to suggest a special status in international law for undertakings with an intensive production of knowledge, those in which scientific research exceeds a fixed percentage of the turnover.

In such a case, side by side with the facilities granted to these undertakings, they should be required to give non-exclusive licences in the knowledge acquired to anyone who asks for them and is prepared to pay for them. In addition it should be possible to require such undertakings to ensure regular disclosure of pure knowledge gained as a result of research carried out at the expense of European bodies, Governments or the Community.

Mr. Chairman, those are my few disconnected thoughts. I consider that we can undoubtedly make progress, but that for this purpose integrated work is necessary, a coherent group of international agreements which can be extended at subsequent stages and further rounded off.

In my view, we shall not gain our economic independence and an increase of prosperity in Europe on the cheap. I sincerely hope that the political determination to go further in this direction will be present. (*Applause.*)

The Chairman (*F*). — Thank you, Mr. Oele. There are two further speakers: Mr. Vredeling and M. Gordon Walker.

I call Mr. Vredeling.

Mr. Vredeling (*N*). — Mr. Chairman, as spokesman for the Socialist Group in the European Parliament I should like to

confine my remarks to the general problem of Britain's accession to the Community.

I would begin by remarking that the central theme of the reports of both Mr. Catroux and Mr. Kershaw was that the present division of Europe into two blocs was bound to have serious consequences for European political and economic co-operation. As both reports say, a solution must be found.

There is another point of agreement between the two reports, namely, on the question whether we should work for a limited provisional settlement—in EEC jargon we call it "bridge-building"—in other words towards limited emergency solutions, or whether we must view the case realistically and say that only the accession of Britain and other countries that have so requested offers a solution.

Both reports give the latter reply to the question; according to them the only solution lies in accession—that of Great Britain naturally being the most important politically.

However, when we come to ask on what conditions British accession is to take place, then I feel the answers given by the two reports diverge.

Mr. Kershaw's report confines itself to economic and monetary considerations, which are of great value but place the problem against the background of economic and monetary difficulties.

Mr. Catroux's report, however, goes further. It seems to me to tend very strongly towards saying that first there must be agreement on the principal lines of foreign policy and defence before Britain and other European countries can accede to the Community. This can be read between the lines of the report, and it is even expressed very clearly here and there.

On page 8, paragraph 18, we read in so many words:

"This also applies to the Western European States with regard to foreign policy and defence. In the event of accession there must certainly be negotiations on the economic aspects, but it is also worth asking ourselves beforehand what problems the widened Community will have to face."

These, therefore, are points that, according to Mr. Catroux's report, would have to be settled before the United Kingdom could join the Community.

Mr. Chairman, what should our reaction to this argument be?

In the first place I would observe that—as Mr. Furler has just pointed out—Mr. Catroux's report carefully avoids mentioning the part played by the French Government at the time of the negotiations on Great Britain's accession in 1963. The French veto is not even mentioned in the report.

On this point Mr. Kershaw's report is more realistic. In paragraph 5 on page 14 it says:

"This political will must, however, be matched by an appropriate political climate in the Six, if it is to be translated into fact now. Indeed the British Government feels that it would be prudent not to enter into official negotiations unless it can be certain of success, and in this connection the French Government's attitude in particular is not felt to be sufficiently encouraging at the present time."

Mr. Chairman, it may be asked whether one can subscribe to the thesis that British accession is possible only if at the same time a decision is taken on defence policy and foreign policy?

To be sure, it is thought desirable—even among us—that agreement should be reached in Western Europe in these

extremely important spheres. The circumstances may be said to invite this.

It is difficult to fix time-limits when thinking of Britain's accession, but one may nevertheless assume that in a few years—let us say in 1968—the affair may be speeded up and the time may be riper politically.

At that moment it will also be necessary to discuss among ourselves and with the United States of America the renewal of the NATO Treaty. Thus these problems will coincide in point of view of time.

However, one may ask whether there is any wish to view such agreement as a condition of Britain's accession to the Community.

Is it intended that this problem of her entry should be further bedevilled by an encumbrance that the Six together have been unable to do anything to remove?

By making Britain's accession dependent on agreement in the two fields referred to, one is in essence imposing much more onerous conditions on her before her accession than those the other EEC partners applied to themselves at the time the Community Treaty was concluded.

For purely economic reasons the United Kingdom's entry is to be desired, not only for her own sake but for that of the Six and of all Europe. On this the reports of Mr. Catroux and Mr. Kershaw agree.

Is it necessary, just because one member State, namely France, has different ideas on defence and foreign policy, to refuse Britain's accession, which we are assured is so greatly desired by the other five member States?

Following the visit by the French Prime Minister, Mr. Pompidou, to the British Premier, Mr. Wilson, it became

clear that the present French Government and the United Kingdom are still diametrically opposed to each other. But it also became apparent how absurd the situation is: the French Government is now behaving as though it were the mouthpiece of the Six!

Everyone knows that is not so, but France can take this liberty because of the lack of any consistent vision on the part or her five partners. I should like to point out a danger to which this gives rise—namely that the question of Britain's accession might in this way come to be distorted or degraded to the level of a plain bilateral deal between her and France.

Meanwhile we must not conceal from ourselves the fact that—just to pick on a name for it from the Community standpoint—the villains are not only in the present French Government. I refer to the EEC Luxembourg Agreement.

In that Agreement the five yielded to French pressure, which was aimed at a serious weakening of the supranational structure of EEC. I refer to the majority decisions rule, which was put on one side—not for ever, but for an undefined future period—to the position of the European Commission, which was weakened, and to that of the European Parliament, which leaves everything to be desired.

If one sees it in this way, one can only say that the sole European institution still left intact is the Court of Justice.

The fact that a step backwards was taken in Luxembourg is very deeply regretted by my group. In this respect the utterances of our British colleagues on the problem of the supranational structure of EEC set us at ease. I refer here to Mr. Kershaw's report and also to the declaration of no less a person than Sir Con O'Neill, Deputy Under-Secretary of State at the Foreign Office, who on 14th January 1966 said to the Committee for Belgian-Netherlands-Luxembourg Co-operation, in speaking of the supranational structure of EEC:

"The problems relate more to practice that principles, and I take the liberty of expressing my personal view that if we ever manage to join the Community it may well be found that we are advocates rather than opponents of 'supra-national' viewpoints.[1]"

The value of this declaration of course becomes somewhat relative in view of the rider that it is a personal opinion. Its relative nature—honesty obliges me to say this—is rather more pronounced when seen against the background of what the British Prime Minister, Mr. Wilson, said during Question Time in the House of Commons on 19th May of this year.

He then called the EEC "an economic instrument with certain machinery for dealing with economic problems."

On the same occasion he remarked:

"I do not think that any of my honourable friends have ever felt that it was right to set up a directly elected assembly in the foreseeable future, within the next 20 or 30 years at any rate, to which this Parliament and this country would be subordinate. The economic negotiations are an entirely different matter."

I wonder whether these statements, which of course also need to be pointed out, suggest much difference from what the French Head of State said at a Press Conference in February of this year.

Speaking of the Luxembourg Agreement, he remarked:

"This agreement between the six Governments is of great and happy significance. For the first time since the Common Market business started, the fiction that the economic organisation of Europe should be the affair of some body other than the States, with their powers and responsibilities, has been openly abandoned."

[1] Translated from Dutch in the Council of Europe Secretariat.

He said further:

> "But the imminent application of the so-called majority rule and the correlative extension of the Commission's powers were threatening to put an end to this reasonable practice and bring about a permanent usurpation of sovereignty. Since reason has prevailed we may expect the economic negotiations to continue satisfactorily."

It may be wondered whether "satisfactorily" means the same thing to President de Gaulle as it does to the British Prime Minister. It would be of great value to have some clarification of this from our British friends.

On this point we are not so much concerned with the opinion of the pro-marketeers in the British delegation as with opinion on the domestic front.

We too, members of the European Parliament, are concerned with the domestic front, Mr. Chairman. What Mr. Silkin wrote in a very readable article in *Socialist Commentary* in September 1966 is relevant to the attitude of our colleagues from the national Parliaments:

> "They"—that is to say the domestic front—"look on 'marketeers' as Campari-drinkers, bemused into a state of European stupor by their continental holidays."

Mr. Chairman, it may be wondered what conclusion can be drawn from this.

When the time is ripe, politically speaking, to consider the question of Great Britain's accession to EEC—to crystallise my thoughts I have already mentioned the year 1968—we may then be faced with a colossally difficult choice. It is possible that the French Government will withdraw its veto if the United Kingdom is able to accede to EEC with a completely intergovernmental structure. If the other countries wish to maintain the supranational structure the French Government may perhaps maintain its veto.

The drama in this choice is that it depends entirely on whether in 1968 it will still be possible in practice to call EEC supranational. One more Luxembourg Agreement and the question will be settled.

On the other hand, if there were another crisis in EEC, in which the main issue was again whether it should become supranational or intergovernmental, and if such a crisis were to coincide with the possibility of accession by the United Kingdom, the British Government would be confronted with a very difficult choice. Would Britain then be on the right side? Prime Minister Wilson's remarks raise some doubt on this point.

For us, the Socialist Group in the European Parliament, this choice is not difficult. We hope our British friends will then take their place on our side. This debate is already of value if only to prepare the way for such support. We do not know yet what the political situation in France will be at that time. Let us hope for the best, whatever that may mean.

May I refer to Mr. Kershaw's report. I am no expert in the sphere of monetary policy, but one thing is certain—and I gladly associate myself with what Mr. Furler has said—Britain will be able to solve her problems more easily after she has acceded to EEC than before.

In this context I would draw attention to a marked paternalistic tone adopted by some speakers with regard to British entry. I am thinking—how can one not?—of the recent speech by the Chairman of the Finance Committee of the French National Assembly, Mr. Jean-Paul Palewski. In it he scolds Britain in this style: "First put your own house in order; as long as you have all that mess at home we shan't call." Mr. Chairman, it seems to me that anyone who talks like that could do with a little more modesty. I agree with what Mr. Furler has said about the situation in France. When that country signed the EEC Treaty in 1957 things weren't so marvellous with her either, financially and economically speaking.

The question of British accession would, we are convinced, be considerably simplified if the Six could issue an invitation to Great Britain to enter into new negotiations. The United Kingdom has already asked once for negotiations and those, as we all know, ended with a French veto. Thus it is now up to the Six again, not primarily up to Britain.

Anyway, Mr. Chairman, this question must never, never become a matter of prestige.

On the other hand we must avoid getting involved again in negotiations lasting for years. In our view the preparatory discussions need to be short and should be followed by a clear political decision on accession. In our opinion, this decision is bound to be favourable.

Thereafter, further details should be settled by the European Commission, the Council of Ministers and the European Parliament, Great Britain being represented in them as such. Some of the decisions would have to be unanimous and others taken by majority vote. I will not elaborate further on this point now but in any event it should, we think, be established that Britain accepts the supranational structure of EEC.

In connection with the specific difficulties of British entry we notice that in his report Mr. Kershaw mentioned one great obstacle. According to him the difficulties raised on an earlier occasion still exist but can be solved. He makes particular mention of one especially great problem which he does not consider insoluble but still deals with separately—you will find more about it in paragraph 66 of his report—namely, the great burden that EEC agricultural regulations would entail for the British balance of payments. He mentions, too, the financing of Community agriculture from the levies imposed at the frontiers in respect of third countries.

The Rapporteur estimates the increase in the cost of food imports at £200—250 million a year. In order to grasp the magnitude of this figure we should remember that it is equal

to about one third of the total cost of Community agriculture in the six countries at the present time. Such a burden would, we are convinced, be disproportionately heavy for the United Kingdom. A change in the financial arrangments for the distribution of costs should be possible.

Technically this is perfectly practicable, since EEC has only adopted its financial regulations until 1st January 1970; after that there should be new regulations. On the supposition that first Britain accedes and that then the technical arrangements are settled, it seems to me that it would be most appropriate to find a solution to this question in the meantime.

However, it is clear, Mr. Chairman—and I think it important that this should be noted now—that one cannot simply say that the United Kingdom must subscribe to all the decisions taken in EEC hitherto. For this reason we do not agree with the remarks in Mr. Catroux's report that what might have been a subject for negotiations ten years ago is not so any longer.

We believe that important matters of this kind must be completely open to re-negotiation whenever the United Kingdom joins.

The financial regulations for agriculture bring me to another point, the melancholy outcome of the debates on this subject in the European Parliament and our national Parliaments. I am referring to the total absence of any parliamentary democratic control of the policy followed with regard to these enormous sums.

If the regulations for the financing of the Community agricultural policy are to be re-examined in 1970 it is to be hoped that Britain and the other European countries that will have acceded to EEC by then will stand beside us in our struggle for extension of the powers of the European Parliament. We are in dire need of the support of our fellow-parliamentarians, for hitherto our strength in the European Parliament has not been sufficient to achieve this aim. We are bound to admit

that we have not been able to mobilise sufficient political strength in our countries.

We trust that now, with the co-operation of parliamentarians from the other European countries, that is to say in a wider European context, we shall be able to succeed in this endeavour. The Socialist Group of the European Parliament is ready and is prepared to take the initiative. (*Applause.*)

The Chairman (*F*). — I call Mr. Gordon Walker, the last speaker we shall hear this evening.

Mr. Gordon Walker. — At this late hour it would be to the general convenience if I confined my remarks to the issue of the problems of Britain's membership of the Common Market, which has been one of the main themes running through nearly all the speeches today.

Let me say now that the political will exists in Britain to enter the Common Market. There are, of course, still differences of opinion in the country. I have lately met in my constituency, in particular, and elsewhere a certain tendency among the women to be worried about the impact upon prices in Britain of British entry into the Common Market. There are still differences of view, but there has been, I think, a decisive shift of opinion, particularly the shift that matters, the political shift, the shift of opinion in Parliament.

We have, of course, a number of special national interests which we would want to negotiate about, just as all the Members of the Community negotiated about such national interests when the Community was set up. These particular interests concern primarily some Commonwealth trade and our own agriculture.

I think that all these problems of interests of ours can be solved if there is an arrangement about a reasonable period of time of adjustment and so on. Some of them, I think, have to be negotiated before our entry and some after. Some of

the problems can be partly discussed before our entry and partly after.

One question that is obviously of very great importance is how Britain should proceed in this matter. We have to be—all of us—extremely careful that there is no danger of a second failure, for that would be a fatal catastrophe, and in spite of my friend Mr. Czernetz's eloquent urgings, I still do not think that there is any use in playing around with ideas of substitutes or interim or middle solutions. We must face starkly all the time the central question of whether or not it will be possible for Britain to enter and be admitted into the Community.

The way in which the British Government are pursuing this in order to be sure of success before detailed negotiations is, of course, by diplomatic channels, starting with bilateral talks with all member Governments as a step forward towards the discussions with the Six as a whole when the political problem or the problem of mutual political will has been settled. Then, of course, the detailed negotiations should not take too long or be too difficult. Once the political decision has been taken these negotiations should not be too long or too difficult.

I should also say that, of course, we are a Member of the European Free Trade Association and that we must keep in step with EFTA and act together with our partners in EFTA.

I have talked about the political will in Britain, but this will must be mutual. It is not an exaggeration to say today that the main difficulties and problems about Britain's entry into the Common Market exist on this side of the Channel and not on the British side. The political will is clearer in Britain than it is in the Community.

Whereas those in Britain who wish us to enter the Community must go on bestirring themselves and working for it, it is very necessary that those friends of ours who really and genuinely want us in the Community and who are now Members

of the Community should bestir themselves. This has to be done as a two-sided operation.

The chance of Britain's entry, or at any rate the will in Britain to enter, is increasing. But suddenly we find talk about new conditions that will have to be imposed on Britain before she is fit to go in. Suddenly we find a great deal of talk about Britain's economic weakness and why this and her balance-of-payments problem make it impossible for her to enter the Common Market. This talk comes not only from France but from other quarters in the Community.

I was very sorry that my colleague Mr. Kershaw gave added weight to Britain's balance-of-payments difficulties. It seemed to me that because of the way he over-emphasised the balance-of-payments part of the problem, Mr. Kershaw did not give sufficient weight to a very important matter, though I admit he brought it into our debate and thereby, I believe, rendered us a great service; that is that the nature of the agricultural problem from our point of view lies not in British fears about competition. Our farmers are very good and effective, and when we are in the Community many of you will find out how competitive our agriculture is.

The problem, as Mr. Kershaw pointed out, lies in the difficulty of fitting sterling as an international reserve currency into the currency system of the Community. However strong sterling was—and it will be strong—this would still present grave technical and other problems and those aspects ought to be argued and discussed much more than they have been so far. I would hope that our Economic Committee would turn its mind as a matter of urgency to the technical discussion of this problem of how to fit an international exchange reserve currency into other currencies. I am sure the British Government would be very happy to share these responsibilities. But this kind of thing cannot be achieved unless forethought is given to it. As Mr. Kershaw has pointed out, the effect of Britain simply entering the Common Market and becoming part of the present agricultural system would be to add something like £200 million a year to our balance-of-payments deficit,

which would be impossible. We could not do it overnight like that. None the less, I do not believe that this problem is as grave as Mr. Kershaw has made out. These problems can be solved if one has sufficient time in which to adjust and adapt oneself to a different system; a burden that could not be borne if it were introduced in one year, could be borne if it were introduced over a period of years.

Moreover, the agriculture system of the Community was drawn up without Britain, without paying thought or attention to what it would look like if Britain were in it. In any case, it has to be reviewed in 1970, and it seems to me that with good will this particular problem, although it is a grave one, could be solved. But insofar as the agricultural problem is a difficulty for us, it is because of its impact on Britain's balance of payments and not because of its impact on our own agriculture as a competitive industry.

I should like to say a brief word about the timetable as I see it, the timing and speed of which we are speaking when we can hope to see Britain become a Member of the Community. Here one must talk very frankly. As everyone knows and is saying, there has been a check on the development of the community of the Common Market. The move towards political unity and integration which was going on has been checked. Also, there has been a change in the relationship between the Council of Ministers and the Commission.

I, like almost everybody here, find these things regrettable, but I find that they are happening, and I notice that during the period while this check lasts it is probably a period when it is easier for Britain to enter the Community, not because Britain is as such against the development of the Community, with Britain in it, towards political unity and so on, but because in a period during which there is a check there will be less of a shock to Britain, with its constitutional system, in entering the Community than there would be if Britain were to enter a Community which was rapidly advancing towards political integration.

I have no doubt at all that the advance towards political integration will be resumed, and I look forward very much to Britain as a Member of the Community playing its part constructively and playing its part in the further movement forward of the Community in its natural advance. It seems to me, therefore, that the next two or three years are the really critical ones, and it is in this period that we must make every possible effort to bring this thing to success. As I say, once the advance is resumed, if Britain is not in the Community it will be more difficult for her to come in; and secondly, if we leave it much more than two or three years the gap between EFTA and the Community will grow so deep, and such vested interests will be built up, that it will be, though not impossible, very much more difficult to bridge this gulf, which is not now so great as it will be when each of us has completed the reduction of internal tariffs.

I want to mention one thing to which we attach importance. We feel that there are two parallel problems. One is the problem of Britain's and EFTA's membership of the Community, and the other is the improvement of relations between East and West Europe about which Mr. Czernetz spoke. From our point of view, it is extremely important that these two things should be carried out simultaneously, that simultaneous diplomatic initiatives—of course, of a different kind and order—should be undertaken both to solve the problem of Britain's membership of the Community and simultaneously the problem of improving relations between the West and East European nations. If we do one without the other we shall create a greater division in the end than we have at the moment.

Let me conclude by one remark. I myself, speaking very responsibly, hope and pray and trust and believe that before the end of the present British Parliament the United Kingdom will be a Member of the Community. (*Applause.*)

The Chairman (*F*). — I thank you for your important contribution to this discussion.

5. *Orders of the Day of the next Sitting*

The Chairman (*F*). — As the list of speakers for today is exhausted, we shall now suspend the discussion and resume to-morrow, Saturday, 24th September 1966, at 10 a.m. and 3 p.m.

The Sitting is closed.

(*The Sitting was closed at 7.35 p.m.*)

SECOND SITTING

SATURDAY, 24th SEPTEMBER 1966

IN THE CHAIR : SIR GEOFFREY DE FREITAS

President of the Consultative Assembly of the Council of Europe

The Sitting was opened at 10 a.m.

The Chairman. — The Sitting is opened.

1. *Resumption of the exchange of views*

The Chairman. — We now resume the exchange of views between members of the European Parliament and members of the Consultative Assembly of the Council of Europe. The discussion is on the report on the activities of the European Parliament and on the extension of the European Community and Europe's political and economic responsibilities in the world.

There are 18 speakers on the list. We must give an opportunity to the spokesmen of the Commissions and the High Authority and also, of course, to the Rapporteurs to reply to the debate.

In these circumstances, I must ask members to make their speeches as concise as possible so that we many finish by one o'clock as planned. Of course, if this is not possible we can sit again this afternoon.

The first speaker on the list is Mr. Kriedemann.

Mr. Kriedemann (*G*). — Mr. Chairman, in reading the report of our colleague Mr. Catroux, or at any rate certain parts of this report, and in listening to the remarks made here yesterday by Dr. Hallstein, I was reminded of a long conversation with one of our Danish friends, concerned, it is true, not with great political ideas, but with hard facts. I found that it confirmed a strange contradiction which greatly impressed me. One is rather left with the feeling that "everything in the garden is lovely" and that the existence side by side in Europe of two economic blocs is perhaps unnecessary.

I believe however—and so apparently do others—that the co-existence of the two blocs is not just an inconvenience, but represents a definite and very real danger. To realise this one does not have to be a pessimist—which I am not—nor does it require the gift of clairvoyance. All it needs is normal imagination or foresight, of which politicians also should make use, particularly in passing resolutions.

In trying to imagine what the practice of the European Economic Community will be in the next few years, there can be no doubt that the ensuing results for States outside EEC will be different from those arising from an interpretation of, for example, the figures on increasing foreign trade. And since, to quote a German proverb, it accords with good custom to start with sweeping one's own doorstep, I feel that it is our concern, that is to say the concern of Members of EEC, to discuss these matters—matters which are the result of our decisions and our policy. In particular, we must realise that the recent decisions, received here with such joy and acclamation, will reveal their full effects only next year and the year after.

The likely outcome is a development which we simply cannot accept, and which is more than a mere inconvenience, but, as has been said, rather a threat to the vital interests of some of our neighbours. To what extent that is so we shall see when we know the result of the Kennedy Round. I fear that

the result of these negotiations will reflect neither the prestige of the name they bear nor the optimism usually prevalent nowadays, and we must consider in good time how we can meet this danger. We must not even allow it to reveal itself in its full magnitude.

I doubt whether we shall succeed in doing so at friendly meetings of this kind by mutual assurances that everything is really all right and that good will prevails all round. Nor shall we gain anything by appeals to each one to do what is in his power. I frankly do not see what is being achieved, although a great deal ought to be done. It is not enough for a head of Government—for a change I am not now referring to the French Head of State—to pay a visit to Scandinavia, for instance, and to promise all that is expected of him, there, and what people there have a right to expect—since Scandinavia is also part of Europe—if, subsequently, the same Government pushes through the Council of Ministers' resolutions which create difficulties for others. As I have said, it is not a case of philosophical problems. It is a case of troublesome, very minor, some may even say non-political, purely technical every-day matters, such as the price of milk. In the last analysis, however, it is a small detail such as the price of milk which brings difficulties in its train, for instance for the Community's Danish neighbours, and I should like these matters to be discussed between us. I feel that they are primarily our concern.

The Socialist Group regards it as important to assure Europeans who are not or not yet in the Community most emphatically—our colleague Vredeling referred to this yesterday —that we fully recognise one fact: if the Community is to be widened, decisions, however laboriously reached, must be altered, even if they are decisions which have the backing of very large interests and which are regarded as fundamental. The reason why such decisions must be changed is not only that otherwise membership of one country or another, or even of all EFTA countries becomes impossible; there is also a further motive. We talk about Britain and the many difficulties, including constitutional ones. I grant all that; I fully realise that

those are the big problems. But let me take an example from a much narrower and less vital area—Denmark. If today we were to admit Denmark, which sets great store by membership of the Community—as indeed it must in view of its position—on condition that the Danes accept all that has already been decided, all that is now established law within EEC, in practice this would mean that we should have to subsidise and export to third markets the whole Danish agricultural output. The Community's market, owing to the ever-increasing scale of home production, has no room for it. That much is already clear. As a Member of the Community she could export her products only if they were subsidised, at prices very gratifying to the Danish farmers and everyone can work out for himself what that would mean not only for the Community's relations with third countries, but also financially for the Community itself.

If we really want to get something done, I feel that the consequences should be quite clearly stated. I repeat: the Socialist Group is concerned to make an explicit statement, especially as not all Members of EEC, and in particular not all politicians within EEC, agreed with all the decisions made in this connection. Very frequently we have wondered whether everyone realised that the decisions taken must necessarily widen the gap which we are constantly asked to close. That in fact is the trouble with these non-political, small technical details, that they operate independently and that their effects often escape the attention of those concerned with political questions.

In order to make credible our determination to alter certain points here and there in the decisions taken—however painful, difficult and even comical, as in those famous marathon night sittings, it may have been to arrive at them—may I point to the need for some modification of many of the decisions taken as part of the policy developed both here and at home. Such a modification, which keeps within the spirit of the agreements, in fact for the first time gives fullest expression to that spirit, is not only necessary and important for those whom we are constantly assuring of a welcome as partners, and for the achievement of the much vaunted wider Community, but also

of considerable interest for consumers and not least for the national budgets of the Community. (*Applause.*)

The Chairman. — Thank you. I now call Mr. Weber.

Mr. Weber (*G*). — Mr. Chairman, Ladies and Gentlemen, the period in which we are living is a significant one for Europe. May I recall that it is now twenty years since the first step towards the formation of the Council of Europe was taken. Last Monday it was exactly twenty years since Winston Churchill issued in Zurich his inspiring appeal to the States of Europe to unite. Last Monday the former Foreign Minister of the Austrian Republic made a memorial speech on the spot where Churchill had spoken.

Since 1964 much has been done towards the integration of Europe. Next spring ten years will have passed since the signing of the Treaty of Rome.

Mr. Catroux's extremely interesting and well-documented report—for which I should also like to express my thanks—describes the enormous task achieved in the course of this decade. Tariffs have been reduced down to 20 per cent. The EEC's internal trade has risen by approximately 200 per cent—in other words, it has roughly trebled. The agricultural Common Market has to a large extent been realised.

We may however point out that in EFTA, too, there has been progress, even if not on the same scale as in EEC. EFTA came into being in 1960. At the end of this year, after six and a half years, tariffs will have been reduced to nil—admittedly excluding agriculture, fiscal charges and a common external tariff, which I am fully aware are the most difficult problems. Nevertheless, the successes are notable. EFTA's internal trade has doubled.

Here I must point out that Mr. Catroux's report contains an error. He wrote somewhere that the internal trade of the EFTA countries has not increased more than their trade with

EEC. I have carefully checked these figures. From 1959 to 1965 the EFTA countries doubled their internal trade—to be exact by 98 per cent—whereas their trade with the EEC countries increased by 77 per cent.

I readily admit that this represents a less marked development. But what is the reason? We must note first that the EFTA countries began their tariff reductions a year and a half later than did EEC. Secondly, the countries concerned are more dispersed geographically. Thirdly, Great Britain had a very slow growth rate, a fact which has also influenced the EFTA average. We may point out that the Scandinavian States among themselves also trebled their trade, exactly as did the EEC States. Precisely because of geographical proximity, Switzerland's trade with its neighbour Austria increased to two and half times its value. In fact, therefore, where conditions were equal, the Free Trade area achieved the same result as EEC.

We may further note that up to last year the channels of trade varied hardly at all; traditional relations were maintained as long as possible. I should, however, like to point out that the change commenced last year—we have definite proof of this—since the tariff reduction has reached 70 per cent. For instance, the EFTA countries' exports to the EFTA area rose between 1964 and 1965 by 10 per cent, and exports to the EEC area by only 5 per cent. The increase in imports to the EEC countries was 8.7 per cent, as against imports from the EFTA countries of 10 per cent.

In 1966 the same development is even more pronounced. In this context, I may refer to the remarks made, according to the *Neue Zürcher Zeitung*, in the course of a recent address by the Minister of Economic Affairs of *Land* Baden-Württemberg, Dr. Leuze. He stated that in 1964 the percentage of Baden-Württemberg's exports to Switzerland was still 11.7 per cent of the *Land* total, whereas in 1965 it was only 10.1 per cent and in the first half of 1966 only 9.7 per cent. This marks a progressive decline in trade relations, and in 1967, if the EFTA

tariff reduction goes down to nil, the changes will be even more marked. This trend will harden in the event of a recession.

The question now arises: What practical steps can be taken to prevent radical changes in the structure of European trade? I think it was Mr. Czernetz who drew attention to what had been said by the Federal Chancellor Dr. Erhard. We must begin today to seek other means of bridging this division or this gap.

I also wish to draw attention to what Egon Heinrich recently wrote in the *Gewerkschaftliche Monatshefte*:

> "Free Europe cannot permanently afford the luxury of a division into economic blocs, EEC and EFTA. The German economy is not interested in a protectionist, inward-looking, closed community of EEC member States. The Federal Republic of Germany, more than any other EEC State, is dependent on good commercial relations with the EFTA States. In 1965 the German export surplus with the countries of the Little Free Trade area was more than 7,000 million DM. This figure offset the trade deficit with other countries."

Heinrich then makes certain suggestions. One is to examine the possible entry into EEC of individual countries. Another is a possible association in the form of a free trade area.

I will not go into individual proposals and I make no concrete suggestions. But, Gentlemen, I would recommend that we abandon any preconceived ideas. All prestige considerations must be set aside in order to examine all possibilities and methods impartially. I feel that that is the way to achieve results.

I was glad to read in paragraph 10 of Mr. Catroux's report his suggestion that we should seek "interim solutions": *toutes les initiatives qui laissent augurer une amélioration en ce*

domaine[1] should be examined. But my satisfaction was dashed in reading the following column, which stated that a minimum of conditions must be fulfilled. The economic union, as represented by EEC is, it is claimed, such a condition; agricultural policy, it is claimed, is another etc. I would ask: "What possibility is there then of seeking any other way?"

Dr. Hallstein, said yesterday evening: "There is no other way for the unification of Europe than the way of EEC". I acknowledge Dr. Hallstein's achievement in this sphere, which is splendid. He is the architect of EEC. He can say nothing else, but we must think realistically. I do not ask EEC to abandon the Treaty of Rome.

But when will an understanding be possible? It depends to a large extent on Great Britain's entry. You heard Mr. Kershaw say yesterday: in three or four years. Mr. Gordon Walker was more optimistic; he suggested two to three years. I regard the less optimistic view as being the more probable, if Mr. Gordon Walker will forgive me. And if negotiations begin, how long will they take? Will they be completed in two years? We are seeing now from the example of Austria, where the circumstances are probably simpler than in the case of Great Britain, how long negotiations can take. I estimate that in all probability we shall have to wait five or six years. In the meantime, trade will seek other channels and both blocs will drift even further apart. Even assuming that in the end all States will meet in the Common Market—a development which is entirely possible, and perhaps even desirable—we must not in the meantime look on passively.

My conclusion is as follows: a solution of the agricultural question is very difficult, particularly for Britain, as well as Switzerland, and becomes more so now that market regulations and prices have been established in EEC. Could we not consider temporarily suspending the agricultural question and examining a possible reduction of industrial tariffs, in whole or in part,

[1] "Any efforts which promise an improvement in that regard."

as well as a standardisation of the industrial tariffs applied to third countries?

That is to be tried out in the Kennedy Round at GATT. In my opinion, however, the Kennedy Round will at best produce a partial success, which will not simply spirit away Europe's difficulties.

We shall now have to await the Kennedy Round and do all in our power to promote a successful conclusion. Later, however, we shall have to prepare solutions on a wider scale. The Treaty of Rome can be left intact. But we should not commit ourselves to rigid formulae. We should be flexible and not persist in adherence to dogma, as was remarked yesterday by Mr. Czernetz.

That, Ladies and Gentlemen, is my appeal to you. We have a proverb that Rome was not built in a day. It will not be possible to build the United States of Europe, to which Churchill gave the first impulse twenty years ago, in the space of a few years. (*Applause.*)

The Chairman. — I call Mr. Armengaud.

Mr. Armengaud (*F*). — Mr. Chairman and Gentlemen, first Mr. Catroux and then Mr. Kershaw and Mr. Reverdin raised a problem which I believe to be vital to the construction of Europe, that of the size of undertakings and the effect of that size on Europe's research potential.

I shall not revert to the figures which have already been quoted both in this Assembly and in our national Parliaments; I shall cite only one: in 1965 the United States spent 16,000 million dollars on research, an amount beyond all compare larger, both for government and for private research, than that devoted to it by the European countries as a whole.

As to the size of undertakings, the July and August 1966 issues of the American magazine *Fortune* again showed the

large phase displacement between the power of American undertakings and that of our European undertakings and the great disparity that can exist between the profit margins of American and European undertakings, to a point where it is easy to appreciate the vast possibilities for independent financing and research in American concerns, something which certainly does not exist in Europe.

I would add, too, that there is another advantage in size: the ability to diversify products and research. Everyone knows that of fifty research projects tried out in a large undertaking only one or two succeed, and it is they which not only have to pay for the unsuccessful projects but also to provide the undertaking's profits.

For research is not confined to discovery; it is also concerned with marketing. With research in the strict sense, therefore, there must also go development, and development calls for huge expenditures of labour, time, investment, tests, finishing and marketing; and only the big firms can afford this luxury. Combines are visibly proliferating, even in a large country like the United States. Even in a restricted area, such as that of semiconductors, we learned two days ago that Fairchild and Texas Instrument had recently associated by merger, although these two firms already far exceeded the power of the European manufacturers of semi-conductors.

That certainly does not mean that research is restricted to the big firms. Small firms can also engage in research, but only in research in the particular area in which they specialise. Actually, in the world of today it is teamwork that produces results, and ensures that they are at least durable.

Unfortunately, a sort of quibbling about terms, common enough throughout Europe, stands in the way of large combines. Competition, market economy, misuse of the "commanding heights" are key terms within EEC as much as within EFTA, whereas competition is excluded at our level when the effort required is beyond the means of a firm or a nation.

Mr. Kershaw yesterday brought up the questions of the supersonic aircraft and space research. I shall point to the problems of nuclear development in all its forms and in all directions, that of computers and calculating machines, and, thirdly, in a more restricted area, that of the machine tool, the control of serial manufacture by electronic methods with punched cards.

A firm in England as big as Alfred Herbert had to make an agreement with American partners to bring this technique of machine tool controls to British territory and to Europe.

It is, of course, true that combines are not necessary in the luxury industries and the manufacture of articles for current consumption; fashion, the rise in living standards and leisure leads to the growth and diversification of the demand for such articles and the law of competition has a decisive role in preventing the establishment of fixed costs to the consumer's detriment.

It must be acknowledged that the EEC Commission has taken reasonable stands, although not yet completely defined, on this point, as witness the recent decisions taken about exclusive distribution agreements, the best known being the agreement between Grundig and Consten.

I now come to another advantage of size, and that is a social one, of concern to all of us. Only the increase in the national income and its better distribution, that is to say an incomes policy, can play a decisive part in maintaining industrial peace; and it is clear that a national income growth policy is required if there is to be an incomes policy; the one determines the other. Statistics show that the results of research account for more than 50 per cent of the growth of the national product. Reference was made to these calculations yesterday.

Fortune's issue of July 1966 shows that in the peak industries the extraordinary growth of the industries launched with these peak techniques has led not only to their success but also to a large increase in employment and earnings. However, the

desirable concentrations must not be random. They must be put through deliberately, not for just any reason, such as the squalid purpose of wiping out taxable profits by losses on a take-over bid.

It is obvious, too, that to group together two undertakings, one of them paralytic, the other blind, will not be of any avail. And there it would seem useful for our Governments to match their concerns with those of these companies and for the undertakings affected to have an acute sense of their responsibilities as well as of the joint objectives to be achieved in order to obviate future risks of retaining the *status quo* and sinking into paralysis.

David Lilienthal, the former Chairman of the Tennessee Valley Authority and of the Atomic Energy Commission, has written a book entitled *New Era, Big Business*—I mention this for the members of the EEC Commission—in which he openly condemns both the Sherman Act and the Clayton Act, which are obsolete now that 80 per cent of the national product in the United States is produced by a few dozen undertakings.

Although competition is, as I have said, necessary in the current consumer goods sector, it is no longer necessary among Europeans whose peak industries or combines alone make possible a volume of capital and a bulk and diversification of research activities sufficient to obtain the necessary independent financing for intellectual and physical investment.

There is now competition between Europe and the USSR, Europe and the United States and Europe and Japan, and it is here that, for the Six at least, Regulations No. 17 and No. 27 for the application of Articles 85 and 86 of the Treaty of Rome should be used, moderately and discreetly, on the basis of the undertakings and activities concerned in order to prevent the dispersion of efforts.

For if we try to maintain competition everywhere and at all costs in all areas, even in the peak industries, if we prohibit

agreements for specialisation and for joint research, let us fear the Balkanisation of Europe, and precisely in consequence, the "satellisation" mentioned yesterday by various speakers.

I should like to cite three examples. Whatever efforts Imperial Chemical Industries makes, the penetration of Europe by Dupont de Nemours, supported by Dupont de Nemours Wilmington, whose profit margin ranges round 15 per cent of turnover, will call for a still greater effort at reorganisation on its part.

Coal chemistry has lost all chance of survival without certain financial links with petroleum chemistry owing to the different costs of the raw materials.

The supersonic aircraft which certain of us in Europe are trying to build is already almost out of date; a military version of the Russian supersonic aircraft is already flying and will come on the world market two years hence.

It is here, Gentlemen, that the need becomes apparent to establish what have been called European companies with special status, which, regardless where their head office is registered, will be subject to the same tax regime, will use the same means of financing and will enjoy the same access to the finance market.

Certainly, it is a hard job owing to the national authorities' dislike of such bodies. The EEC Commission is well aware of this. If the earnings or profits of such companies were shared out among the nations signing a convention which would enable them to be set up, under a system of allocation based on the respective national products, this should remove some of the objections which our national authorities have to them at present.

Should I also add that the great advantage of these European companies, connecting and associating the various interests regardless of frontiers, is that, by the very fact of the integration of capital, persons, risks and profits, they would remove the encumbrance of the controversy between members

of the supranational institutions and advocates of the Europe of nations or Governments?

Indeed, the interlocking of interests in all sectors of essential activity would be such after a few years that, by the very force of circumstances, the idea of the common weal would become an economic reality to us all, and that could not fail to have a serious impact on the birth of a political Europe, the framework of which would have been built up gradually by the force of the financial interpenetration of interests.

Some will say that is a capitalist dream. Not so. Who would impede the interpenetration of national public enterprises so as to establish European public enterprises? Why declare *a priori* that a great European transport company cannot be achieved by a merger of the SNCF, the Bundesbahn and the other European railway systems?

Doubtless this is a vision of the future. But to whom would the future belong if no one dared to try his luck at launching an idea and announcing the shape of things to come?

Lastly, from the point of view of the Kennedy Round the only rejoinder to the power of the American enterprises, already accustomed as they are to economic areas of some 200 million inhabitants, is the establishment of such enterprises, which will have means comparable to those of their likes across the Atlantic in the level of their research projects, their investments and their trade flows; and it is astonishing, in view of the time limits set by the American law on the negotiations relating to the Kennedy Round, which expire on 30th June 1967, that our Governments should not have taken the political initiative enabling these great European units to be established which, by their mere vigour and power, will remove any inferiority complex we may have towards our American or Soviet partners.

Let us beware lest, if we fail to make this effort, our large or medium European enterprises may have no way out of their present financial difficulties except to be bought up by their

transatlantic counterparts, to be eliminated from competition on a world scale, or else to be nationalised.

A concerted effort along the lines I have mentioned should be the beginning of or pretext for a political revival.

No doubt my theme, Mr. Chairman, will not have contributed a great deal to the debate, except the affirmation of a faith in the necessary and beneficial transformation of the structure of pilot enterprises and of economies, in line with the equally necessary obligation to concert our potential of men and brains for the purposes of a dynamic research policy in Europe instead of accepting the dispersion of enterprises in the name of a somewhat demagogic appraisal of the word "competition".

An article by Pierre Drouin in the newspaper *Le Monde* deserves consideration.

One paragraph bears the following headline: "The Common Market—a trump card for the Americans". The author goes on:

> "It is useless to blink the facts; at present the Common Market is more profitable to the American that to the European industries. The former are much better prepared than the latter to grasp all the advantages of the liberalisation of trade: they have production units commensurate with a market of 180 million consumers and a much greater ability to secrete new products than Europe has because they have a better developed industrial nervous system owing to the size of their investment in research."

I entirely endorse Mr. Drouin's remarks. But if large European companies are to be established, a time limit must be set and kept to, as was done with the common agricultural policy. That is the more necessary inasmuch as Mr. Reverdin's report mentions the existence of a Working Party. Experience shows that such working parties bog down in the confrontation of national special interests unless a time limit is set for their

work, a stimulus given to their labours and their objective clearly defined beforehand.

I therefore believe, Mr. Chairman, that with regard to size and research, it is for our Governments, as it is for us all, to make a tremendous effort to bring into existence these new constructions without which our Europe is doomed to servitude. (*Applause.*)

The Chairman. — I now call Mr. Mark.

Mr. Mark (*G*). — Mr. Chairman, if I venture to take the floor to speak about problems which might perhaps seem at first sight to lie outside the competence of this Joint Meeting, the reason is mainly the urgency and importance of these problems, which beyond any doubt are of common concern to all of us. For many years, I have repeatedly stated in this context in the Consultative Assembly that, so long as we cannot unify Europe economically and politically, we should try in our Consultative Assembly to create and strengthen those links of a greater Europe which are already possible today. There are very many areas of this kind: legal questions, questions of social policy, cultural and scientific questions, which might engage our attention here.

But which of these links could be more significant than the question of youth? The problems of European youth, with which the European Parliament, the Consultative Assembly and the Council of Europe have all earnestly concerned themselves, are certainly of quite special significance. If we in the Consultative Assembly and in the Council for Cultural Co-operation have spent rather more time on these questions and must have rather more time for them than perhaps seemed proper to the European Parliament, I must say that the reasons for our delays are, it seems to me, the same as those that have also caused the Communities difficulties in other significant areas in recent years.

The problems of youth are, as we all know, many and

varied. One of the most important is the integration of youth into European society. It is a thoroughly contemporary problem and, hence, one which we can deal with only if we look to the future. For the Europe which we are building today youth will complete tomorrow.

Our task is to lay down, in collaboration with the European youth organisations, the guide lines for a European youth policy. These youth organisations have repeatedly demanded a European programme for the promotion of youth. Promotion here means help in organising and institutionalising.

In May 1966 the European Parliament, on the basis of a very remarkable report which merits our full endorsement, took a decision, the substance of which was the establishment of a European Youth Office limited to the six member countries of the Common Market.

The Consultative Assembly of the Council of Europe had come to a similar decision even earlier, taken on the basis of an invitation and the stated opinions of representatives of European youth associations. I must, however, stress that this decision for the establishment of a European Youth Office for the eighteen member countries of the Council in fact represented merely the culmination of the Council of Europe's work for many years in the sphere of youth care.

The coincidence of these two decisions led to an exchange of letters between the Chairman of the competent Committee of the European Parliament, the present Rapporteur and myself as the former Chairman of the Joint Working Party on youth questions in the Consultative Assembly. It was suggested in this correspondence that the question might be fitted into the debates of the Joint Meeting and, accordingly, I have been commissioned to speak today by decisions of the Social Committee and the Cultural Committee of the Consultative Assembly.

I must remind you that the European Experimental Youth Centre was established at Strasbourg on the basis of Resolu-

tion 186 of the Consultative Assembly, which was adopted as early as 1960 and was agreed to by the government experts on youth questions. The European Communities display great interest in this Centre and have given and still give its various activities considerable financial support. This constructive collaboration is also expressed in the fact that the Community are represented on the Administrative Board of the Youth Centre.

The remarkable results of the work of the European Experimental Youth Centre and the guide lines for work with youth derived from these results have induced the Council of Europe to regard the experimental stage of the Youth Centre as completed and—pursuant to the original proposal of the Consultative Assembly—to contemplate the establishment of a Permanent European Youth Centre which, it may be hoped, will be established in the very near future.

The activity of this centre is to be concentrated in future on two kinds of task, namely, the participation of youth in European collaboration and the establishment of the best possible opportunities for the training and continued education of youth officers in the spirit of European unification.

I believe it will be interesting to draw your attention at this point to Recommendation No. 31, adopted almost unanimously by the Council for Cultural Co-operation in June 1966. It reads:

"The Council for Cultural Co-operation

Invited, during the Sitting, to examine Document CCC (66) 19 on the establishment of a European Youth Office, requested by the European Parliament at its Session in May 1966,

Having regard to the Council of Europe's special concern for youth, affirmed in 1960 when, in a wider context, it took over WEU's responsibilities in the matter,

Having regard to the constantly reaffirmed interest taken by the Consultative Assembly in European co-operation in youth matters,

Having regard to the increase in inter-municipal youth exchanges within the framework of the European Conference of Local Authorities,

Having regard to the fact that the CCC has always shown itself anxious to associate the European Communities directly with youth activities,

Recalling that, at its 8th session, the CCC affirmed that

'Its youth policy is firmly directed towards the establishment of a Permanent Youth Centre, which it regards as one of its major projects',

Declaring that this policy is still valid, and anxious to avoid any overlapping,

Recommends that the Committee of Ministers:

— examine the new situation created by the European Parliament's proposal to establish a European Youth Office, limited to the six member countries of the Communities;

— invite the competent authorities of the European Communities to study the respective initiatives taken in the matter by the European Parliament, the Consultative Assembly of the Council of Europe and the CCC and to instruct its competent bodies to make a general study of the question without delay, in collaboration with the Secretariat of the Council of Europe.

The common report would be submitted to each of the Organisations."

I must crave your indulgence if I have had to deal in excessive detail with already existing institutions on the one

hand and with possibilities which are under discussion on the other. I thought this necessary because I believed that I should show you that none of these various possibilities conflict in any way. It is my personal opinion rather that it is thoroughly desirable for those who are concerned with youth questions in the six countries also to show this concern simultaneously within the framework of the eighteen countries of the Council. In addition, we must avoid that danger to which the European Conference of Government Experts on Youth Questions drew attention in 1960, the mistake which we should make if we used the language of a patronising attitude. It is precisely any such attitude that would make collaboration with the youth organisations difficult, if not impossible. And it is precisely such collaboration that is the whole point. In this connection, the danger inherent in any attemps to force youth into definite organisational forms incompatible with their general outlook cannot be too strongly emphasised.

It is our cardinal task to see to it that the present divisions of Europe and all those phenomena which stand in the way of unification of our Continent do not exert their effect on youth too. It is our responsibility as politicians to ensure that youth shall assemble in a greater Europe and that, therefore, exchanges are placed from the outset on the broadest possible base. Only in this way can European youth gain a comprehensive picture of Europe, which admittedly is not a picture of Europe today but far rather should be the picture of the Europe of tomorrow.

All in all, I believe that the time has now come when we must ask ourselves whether we should not bring down our efforts for youth to a common denominator by seeking a European convention for youth. Such a convention would establish general rules for a common European youth policy. It could, moreover, form a broad and flexible framework for the various structures and so overcome the present divisions without thereby impairing anyone's independence.

A convention of this kind could be a solemn reaffirmation of that significance with which our member countries assess

the problem of European youth by recognising a number of general guide lines for youth care.

Forgive me for taking up so much of your time; but when one's heart is full, one's tongue runs away with one. My intervention today is the last speech I shall make in this House in my capacity as a European Parliamentarian, for I have now resigned from the Austrian National Assembly as I have passed the age limit enforced in my Party, and with today's Sitting I am also leaving the Consultative Assembly.

Heed this last appeal of an aged man and see to it that European youth is enabled to finish the task which we have begun. We are building today the Europe which youth is to complete tomorrow. (*Applause.*)

The Chairman. — I call Mr. Merchiers.

Mr. Merchiers (*F*). — Mr. Chairman, Ladies and Gentlemen, in speaking on behalf of the Liberal and Allied Group I regard it as my duty to pay a tribute to our two Rapporteurs, Mr. Catroux and Mr. Czernetz. Both have given us very useful information which enables us to assess the situation in Europe, the situation in our Community and the state of its future relations with other European countries whether friends or neighbours. Their two reports also, however, bring home to us that we are still some distance away from the full integration of all democratic countries in Europe.

The political and economic situation has been circumstantially dealt with by our Rapporteurs. We can thus measure all the factors that have so far brought us together and assess how much remains to be done to unite all the countries of the European continent.

Unite? Yes. And why? Merely in order to understand and help each other, rather than be at war with each other as was too often the case in the past? Undoubtedly, since for all the countries represented here the Second World War will

have been the last convulsion of a gigantic and fratricidal war between European peoples, a war which has impoverished Europe and enfeebled it in relation to the two other great world blocs.

Unite to understand each other? Indeed, but also in order to unite in the economic field. We find the world now dominated by two economic Powers which, owing to their huge size, alone are capable of competing effectively for the conquest of world markets, for industrial development and low-cost mass production, for the scientific facilities demanded by the fantastic rate of development in technology and scientific research.

In other words, if we are to equal these two blocs—as we must—we are "condemned" to unite and, as a result, are called upon to understand each other and to create an atmosphere and a climate favourable to success, not by compulsion but rather by persuasion, by realistic argument and by the knowledge that only a union which is both economic and social—and eventually no doubt political as well—will enable us to compete effectively with the two other large economic bodies.

In considering the birth of this European amity of the Six, perhaps I may briefly recall two or three historical facts.

We should like to remind this Assembly that the Europe of the Six has to some extent been shaped by difficulties and by the overcoming of difficulties. At the very time of the first step towards union inspired by Robert Schuman, Europe had barely emerged from a lethal war which had dislocated the economies of the countries of continental Europe; with the aid of America it was rebuilding on its ruins and nursing its wounds; yet, in order to escape from this dependence on a powerful ally, the Six already felt the need for strength through union.

That, however, was also the time of difficulties arising from the Korean war, which in turn was seriously to undermine the foundations of our economies.

When, eventually, in 1958 the Europe of the Six was constituted, in this first stage of the Common Market it already had, in common with France, to meet difficulties in Algeria.

Lastly, as our preparation for unity proceeded, an additional difficulty arose: some European countries also had to devote their energy to de-colonisation, which has been carried out with varying success, according to the degree of maturity of the liberated peoples. This fact also was to disturb the economies of the countries concerned.

Yet in spite of these adverse events due to external causes, in spit of "internal" difficulties which are still fresh in our memory, in spite therefore of certain shadows present in the picture, we can now take a hopeful view of what has been achieved. Our Rapporteur, Mr. Catroux, has done this competently and fully.

Certainly we in the European Community are still far from having realised all the hopes conceived by the Heads of State of our six countries and embodied in the Bonn Declaration of 18th July 1961.

In this Declaration the six Heads of State and Government solemnly undertook to give concrete form to the will for political union already implicit in the Treaties, to meet regularly in order to exchange views and to concert their policy, to widen co-operation between the Six beyond the political field, in particular to extend it to include education, culture and research.

We have undoubtedly made praiseworthy efforts to this end, but in politics especially the road is still hard; even in the field of culture and particularly scientific research, there is still much to be done.

This point was vividly brought out by Mr. Gaetano Martino who, in a memorable speech at a recent meeting of the European Parliament of which he was President, emphasised the need for the independence of Europe in science and research. And only

just now our colleague, Mr. Armengaud, again drew attention to it.

All these weaknesses which we would merely outline must not blind us to the fact that the Europe of the Six has gone resolutely forward; that economically it has gained such strength as to have become a focal point for many European nations and even for the Third World, since it has gathered round it a number of associate countries.

I used the term "focal point". We do in fact begin to see many other countries in orbit around us. Some European non-member countries will soon be knocking at our door. Great Britain has been considering it for some time, and seems to have decided in favour of such a step. Denmark has just made a declaration to that effect. Austria has already begun advanced negotiations for an association identical with that of Greece and Turkey. A decided interest is shown by Spain, Portugal and other countries.

Another fact concerning the influence of EEC may be noted: is it not symptomatic that when certain European non-member countries are faced with problems, they are no longer content, as was recently the case, to turn to America for assistance? No, it is to Europe that they now turn; they wish to draw closer to our Community. We therefore notice a clear trend which may lead sooner or later to a widening of our organisation.

"That must give us cause for pride and ground for hope of a wider European unity.

What should be our attitude to this tendency to converge?

We as Liberals consider it our first duty to assist Great Britain in overcoming its economic and financial difficulties, so that it may be in a fit condition to join us at an early date.

We must open our doors to membership whenever it is requested, though without compromising the economic founda-

tions of our organisation. We must accede to these applications for membership when the countries concerned accept the vital part of the rules on which the economies of our Six countries are now solidly based and organised.

We must not imperil what we have ourselves built up at the cost of so much discussion and so much common sacrifice.

The new Members must be able to integrate themselves gradually with a view to eventual firm assimilation. We mean by that progressive acclimatisation to the European structure in the case of all countries which were not foundation Members.

Pending the creation of this wider union, let us remember the words spoken by our Rapporteur, Mr. Czernetz, when he exhorted the countries of the European Economic Community and of EFTA to do all in their power to prevent these two blocs from drifting apart and going their separate ways.

Further, in the context of the forthcoming merger of our three Communities, the Liberals advocate as indispensable in the economic field that Euratom be transformed into a European Commission for Scientific Research. In this age of computers, faced as it is with the enormous volume of economic data, our Community must lay firm scientific and research bases from which the serious problems caused by the magnitude of this new economic area can be controlled.

We must also emphasise that we recommend the creation of a European currency. Even if this cannot be created overnight, we should like at any rate to have a reserve currency capable of giving financial aid to member countries which may be in temporary difficulties.

In the economic and political fields we consider it essential to help the developing countries. Several of them are already associated with us and it is aid specifically European in character which we must provide. Our support to other developing countries of the Third World should also be specifically European in character.

In conclusion, Gentlemen, we express the hope that the present common meeting, at which we have been able to exchange ideas and seek to come closer together, will have helped to bring about a fuller understanding and to lay the basis for that collaboration which is so essential to our future relationship. (*Applause.*)

The Chairman. — Thank you, Mr. Merchiers.

I now call Mr. Duncan Sandys.

Mr. Duncan Sandys. — Mr. President, at the time of our last Joint Session a year ago, the European Economic Community was paralysed by a disagreement between France and the other five Members. Although it was not possible to resolve all differences, a formula was fortunately devised last January which enabled the Community to resume its normal functioning and made it possible for the Six to agree upon a common agricultural policy. The Community is thus firmly established on its present basis—that is to say as an economic union of six States. That is an immense achievement. Let no one underrate what has been accomplished. But let us equally remember how far it still falls short of the great objectives which inspired the founders of the Community.

Now that the economic integration of the Six is assured, the time has come to take the next step—that is, if there is to be a next step. Is the area of the Common Market to be progressively enlarged, as was envisaged in the Treaty of Rome? Or is the process of European unification to stop at the point now reached? Is political union still our ultimate aim? These basic questions cannot any longer be evaded. Clear and positive answers are needed.

Many people in my country are coming to the conclusion that the Six are never likely to agree to widen their exclusive circle, and that, however patiently we wait, we are never going to be admitted to the club. There are some who say that, although our natural inclinations attract us to Europe, we should abandon the pursuit of a hopeless romance and try

instead to conclude some kind of marriage of convenience with the United States.

These views are held only by a small minority; but the fact that quite serious people are talking like this is none the less disturbing.

The fault does not, of course, lie all on one side. If Britain is not today a Member of the Community, she has in the main herself to blame; and I believe it is right to admit that. She had the opportunity to participate in the original Schuman Plan in 1951; and four years later she was invited to take part in the negotiations which led to the Treaty of Rome. But on each occasion she felt obliged to decline. There were two reasons for this. The first was that, as a result of their different war-time experience, the British people were slower to recognise that, in the modern world, even a nation of 50 millions can no longer stand alone. Secondly, Britain took some time to reconcile herself to the fact that her empire was coming to an end; and, in consequence, she felt torn between her world-wide responsibilities and her role in Europe. But, in the intervening years, the British attitude towards Europe has developed and crystallised. Public opinion is now overwhelmingly European; and all three British political parties are firmly pledged to seek admission to the European Economic Community.

It is a waste of time to look backwards. We all bear our share of responsibility for the past; and, what is more important, we all share together the responsibility for the future.

We cannot go on dreaming dreams for ever. There must be continuing progress. Unless the momentum which has been lost is rapidly regained, the European idea will go stale. Unless the crusading zeal and the sense of mission are revived, the work of European unification will become bogged down in argument and recrimination.

If we are not to slip backwards, we must make a conscious and positive effort to advance.

First of all, we must dispel the doubts which have arisen about our ultimate objective. We must reaffirm our determination to build the new Europe, a Europe which will eventually embrace all democratic European nations, a Europe which will be united not only economically but in due course also politically.

This great objective can be achieved only by stages. The first stage has been accomplished. Six States have given the lead. They have laid firm foundations for the future Europe and have established the institutional framework within which it can develop. We must now proceed to the second stage; and there can be no doubt what it should be. Our next task is to complete the economic integration of Western Europe, or in other words to bring EEC and EFTA together. It is now generally accepted that it is no good trying to build bridges, and that in practice the only way to extend the area of economic co-operation is for Britain and her EFTA partners to join the Community; and the sooner this happens the better.

By putting off the decision we shall not make it any easier. In fact, the longer the two systems continue to develop along separate lines the more difficult the eventual amalgamation will be.

There are those who consider that Britain's admission to EEC cannot be discussed until her economic problems are resolved. I do not agree with them. As everyone knows, Britain is going through a difficult period. But we should not exaggerate the extent or the duration of our troubles. In his interesting analysis, my colleague Mr. Kershaw rightly emphasised the marginal character of our balance-of-payments problem and emphasised the fact that the British economy is basically sound. It would, therefore, be very shortsighted to regard these temporary difficulties as an obstacle to Britain's entry into the Community, or as a justification for postponing consideration of this question.

The matter is urgent. Britain needs Europe. But Europe also needs Britain. For, unless all the industrial nations of

Western Europe make up their minds to pool their resources, they will find it increasingly difficult to hold their own in competition with the Americans. We shall fall further and further behind the United States in the technological field; and America's commercial empire in Europe will continue to extend, as American companies buy up control over more and more of our leading European industries.

The most straightforward method of ending the present position would be to open formal negotiations between the EFTA Governments and EEC. But neither side seems prepared at present to take the initiative. The British Government have had some tentative discussions with each of the Six. But, since this is essentially a matter for collective decision by the Community, it is not possible to get very far by means of bilateral exchanges.

In the light of past experience, it is understandable that there should be some hesitation about reopening formal negotiations. However, there can surely be no objection to informal exploratory talks.

This is precisely what the EFTA Governments proposed to EEC after the meeting of the EFTA Council in Vienna in 1965. But they received no reply from the Community. The request for talks was renewed after the meeting of the EFTA Council in Bergen in May of this year. Yet there is still no answer. The absence of any response from EEC has naturally caused profound disappointment in the EFTA countries, and has unfortunately strengthened the impression that the Six have made up their minds not to admit any new Members to the Community.

The exploratory talks which have been proposed would be confined to a broad exchange of views. They would involve no commitment. Their sole purpose would be to clarify the general attitude and intentions of each side, and to dispel the present uncertainty.

If it was found that there was no prospect of agreement, then at least we should know where we stood; and the two groups could plan their future along separate paths.

But I cannot believe that these exploratory talks would in fact produce such a negative result. On the contrary, I feel sure they would show that there is a general recognition that the continued division of Western Europe is damaging to all and that it is in the interests of everyone to bring Britain and the other EFTA countries into the Community as soon as mutually acceptable terms can be agreed.

If so, the way would be open for formal negotiations. I do not underrate the difficulty of some of the issues which will have to be resolved. But, provided both sides approach the negotiations in the right spirit and with a real determination to reach agreement, I am convinced that the practical difficulties can be overcome.

The task of uniting Europe must not be tackled like a commercial amalgamation or industrial merger, the terms of which can be negotiated as a business deal. We are embarked upon one of the biggest and most inspiring revolutions in history. We must allow ourselves to be carried forward by our faith in a great idea, for which we must be ready to face risks and make sacrifices.

Our decisions must not be dictated by precise calculations of national advantage. We must learn to think as Europeans. We shall get nowhere if, at every stage, each country is concerned only with its own immediate interests. We must regard each other not as rivals but as partners, engaged in a common enterprise, the success of which will be of inestimable benefit to all.

Let us dwell less on the difficulties and more on the opportunities. If we can lay aside our fears and hesitations and work trustfully together, we have it in our power to create a united Europe, big enough and strong enough to take her place among

the giants of the modern world. That is the dazzling prize which is within our reach if only we have the faith and the courage to seize it. (*Applause.*)

The Chairman. — Thank you, Mr. Sandys.
I call Mr. Michaud.

Mr. Michaud (*F*). — Mr. Chairman, Ladies and Gentlemen, the excellent reports presented by Mr. Catroux and Mr. Czernetz have served as an introduction to a broad economic debate at a high level and of an importance appreciated by all of us. But is not the common aim of the European Parliament and the Council of Europe also to advance the notion of Europe in people's minds and in institutions within the field of their respective competence?

During recent years differences of opinion, lack of understanding and delays have, in my view, regrettably retarded the construction of Europe at the highest level, namely the government level. This construction, however, should not be entrusted solely to the Governments, the Parliaments or even the European institutions; it is also necessary to construct Europe at the base, and perhaps the stimulus which is given at the base will have an impact on our Governments and lead them to transform into fact the desire for unification displayed by the most unassuming strata of our peoples.

The two main basic pillars of this Europe of the masses are, so far as persons are concerned, the youth and, so far as institutions are concerned, the primary administrative cells formed by the communes, the municipalities and the local authorities in general.

Mr. Mark has spoken of youth problems on behalf of the Cultural and Scientific Committee of the Consultative Assembly. The Committee on Local Authorities of the Council of Europe has commissioned me to make a brief communication on intermunicipal exchanges and town pairings.

I should like to begin by showing how up-to-date this matter is. I will remind you in this context that several member countries of EEC and the Council of Europe have made bilateral agreements among themselves to organise and develop these exchanges and I will quote *pro memoria* the Franco-German Agreement of 1963, the German-British Agreement and, more recently, the German-Italian Agreement.

I shall also remind you that international exchanges have been discussed several times in our national Parliaments; that the Committee of Chairmen of the Council of European Municipalities has expressed the wish for the establishment of a European office for international town pairing and exchanges; and that the second European Congress of Paired Towns adopted a resolution at Strasbourg in June 1966. a passage from which reads as follows:

> "The delegates are glad to see that, in accordance with the wishes expressed by the first Congress of Paired Towns, the Consultative Assembly of the Council of Europe and recently and with considerable force the Parliament of the European Communities have recommended the establishment of a European Youth Office and have requested that that body should speedily begin operations, one of which should be to lend assistance to town pairings."

I should add two further reminders, first, that the European Parliament adopted an important resolution on 9th May last concerning the establishment of a European Youth Office and, secondly, that the Consultative Assembly adopted in November 1964 Recommendation 404 asking that a European Office for international town pairing and exchanges should be set up and be granted an annual appropriation drawn from an allocation comparable to those granted by the French and German Governments under the agreement concluded between them.

The Committee of Ministers did not feel that it should or could comply with this proposal, but your Committee on Local

Authorities was unwilling to drop the idea, and so reverted to it in a more modest form, asking, by a recommendation adopted on 30th September 1965, that the Committee of Ministers should accept at least the establishment of a body, that is to say, a new office to keep account of requests for pairings, to give general information on such pairings and to explain the procedure for exchanges.

Although no specific reaction has yet ensued, we should like to hope that the idea will make its way.

One of the purposes of my statement is to make a point of the coincidence of the work of our two Assemblies on this same problem, in order to induce our Committees or Councils of Ministers to establish in this Europe House, in which our work is carried on alternately, or even simultaneously, as is happening today, the body defined in Recommendation 432 of the Council of Europe.

To these reminders, which form the basis and justification of our insistence, I should like to add some comments on the relation of my statement to Mr. Mark's.

The Cultural Committee's requests for a European Youth Office and the request made by the Committee on Local Authorities concerning intermunicipal exchanges and pairings do not overlap. They are separate, but complementary.

The purpose of the European Youth Office would be to associate the youth movements with the propagation of European ideas. It would thus be addressing itself to organised youth and its work would be of cardinal importance. Mr. Mark explained that clearly enough in his statement.

But we know that youth organisations cover only a small proportion of young persons. Unorganised youth, uncommitted youth, must be associated with the construction of Europe, and it is there that town pairings and intermunicipal exchanges can be timely and effective.

I have neither the intention nor the time to describe here what a pairing is, how it is prepared and how it is carried out. We all know the irreplaceable part played by pairings in the dissemination of European ideas and we all hope that there will be many more of them.

There are many mayors who wish to carry out such pairings but are encountering difficulties which cannot easily be surmounted; financial difficulties, of course, but also difficulties with language, difficulties with travel, as well as administrative difficulties in entering into contact with a town or towns likely to respond to a pairing offer.

For the time being, these difficulties are being coped with or overcome empirically by men of good will and, it must be said, by national bodies such as National Councils of European Municipalities, and the Associations of Paired Towns.

The bilateral agreements to which I have already alluded also facilitate exchanges among the local communities of the countries signing such agreements.

In such a matter, however, a European centralising body could effect better co-ordination, extend the exchanges to the broader dimensions of the Europe of the Six or the Europe of the Eighteen and, lastly, involve our countries in less expense than that necessarily incurred for the operation of the services deriving from bilateral agreements.

I should like to think that this reminder of the wishes expressed by the European Conference of Local Authorities, by the Congresses of Paired Towns, by the Council of European Municipalities, by several of our national Parliaments, by the European Parliament and by the Council of Europe will be heeded by our Governments.

Would not the European Youth Office and the office for pairing and intermunicipal exchanges from the two stoutest pillars of this basic Europe without which the unified Europe

we all aspire to see may well be either incomplete or illusory? (*Applause.*)

The Chairman. — Thank you.

I now call Mr. Heffer.

Mr. Heffer. — Let me begin by paying tribute to the speech made by Mr. Sandys. It was an excellent crusading speech that was very necessary at this meeting. He will appreciate that tribute from me possibly more than if it came from some other members of the British delegation, because he and I have clashed so often and are likely to clash a great deal more in future, particularly about British internal matters.

But it is important that this meeting should again be reminded of the objectives that we have in relation to the European idea. The great danger is that at this meeting we shall get bogged down in all the various problems and forget the ultimate perspective, and I hope that Mr. Sandys' speech has helped to dispel that difficulty into which we could get ourselves.

This having been said, it would be wrong if this meeting got the impression that everyone in Britain is now united in determination to enter the European Economic Community on an individual basis. There has certainly been a great revolution in British thinking towards Europe. I think that everyone in Britain now accepts that Britain must play a much more positive role in Europe than in the past. Thus, the thinking has arisen that it is essential for us to become part and parcel of the European scene.

But this does not of itself mean that everyone in Britain is wedded to the concept of EEC. People wish to see a wider European community which will include both the six nations of EEC and the nations of the European Free Trade Association. We have to face this fact. I personally wish to see Britain as part of the European Community but advancing to that position in association with her EFTA allies and through agreement

along these lines. I believe that that feeling is generally shared by most people in Britain.

We have been told that bridge-building is no longer possible, that this is not the way to proceed. But I am a great believer in bridge-building. It is better to build a bridge than to blow it up. Whether we like it or not, it is a fact that there are, outside the Communist bloc, two European economic blocs. It is an historical fact. We cannot blind ourselves to it. It is impossible to pretend that EFTA and EEC do not exist and that they have not separate existences. The important thing is to bridge the gap, to build a bridge so that ultimately we can cross it in both directions and get a unity between the two economic blocs ultimately leading to political unification of Western Europe. I believe that that is how we have to proceed. It is no use taking up a rigid position.

I was interested to hear what Mr. Weber said today in expressing his view that it is wrong to hold a rigid position. But, unfortunately, Mr. Catroux in his excellent report—it was particularly excellent in relation to Britain's problems, which were put fairly—took up a rigid position, as did Professor Hallstein in his speech. What they say in effect is, "We want a wider Europe, but in essence the only way we can get it is by Britain and the other EFTA countries applying individually to join in EEC." I do not think that this is "on". I want to see Britain in EEC, but at the same time I do not want to break up the positive economic bloc which exists and of which Britain is a Member already—EFTA. The member countries of EFTA have undoubtedly gained as a result of membership. We really must not take up a rigid attitude. Ought we to have a much wider approach to this? This brings me to the point so ably made by Mr. Sandys. EFTA has made an approach to EEC. It is not good saying no approach has been made. The initiative I understand (though I may well be wrong) came from our Prime Minister, Mr. Harold Wilson, for talks between EFTA and EEC. Those talks have never taken place because the EEC countries have not even replied. I agree with Mr. Sandys that if they feel there is no point in having such talks they should say so,

and then we know precisely where we are, where we are going and what we have to do under those circumstances.

I do not believe that it is a question of advancing—as Mr. Czernetz suggested yesterday—the concept of a wide free trade area including both EFTA and EEC. What is important at this stage is that talks should be carried on. There should be the first simple action of a meeting of the countries around the same table to see precisely what the possibilities are and what can be done. I feel that that is the simple proposition we should be putting forward at this conference; and we should be urging the EEC countries to accept the initiative which has already been made by the EFTA countries.

My friend and colleague Mr. Gordon Walker, in what was an excellent speech—and this is not a question of patting someone on the back, because I am not renowned for that—put the position of Britain very clearly. He also made the point that we have to advance with the EFTA countries because we are part of the EFTA situation. I believe that this presents us with a great opportunity.

Let us look at the situation which Mr. Gordon Walker stressed yesterday. There has been a check inside EEC itself. This check presents us with a great opportunity, because if we analyse what General de Gaulle says in relation to the future structure of the Common Market, that is not really different from what the average Briton feels in relation to the Common Market. We are not now speaking of his foreign policy but about the structure of EEC.

I feel, therefore, that we are presented with this great opportunity. An opportunity is also presented to us because some of the fears that have existed in the past are now proved to have been false. We were told in the past, "If you join EEC you cannot possibly have an independent foreign policy." What has General de Gaulle been doing in the past few years, but having an independent foreign policy? Certainly I do not agree with it all, but I do agree with a great deal of it. Thus, one can have an independent foreign policy. We were also

told, as Socialists, "If you join EEC you cannot then extend public ownership." But public ownership is being extended all over Europe, inside EEC. Therefore, we have this opportunity which we must seize.

I want to turn to one other aspect quite separate from this particular question of our relations between EEC and EFTA—the remarks made yesterday by Mr. Czernetz, when he raised the question of Vietnam. He stated, quite rightly, that the Vietnam situation was poisoning the European atmosphere and that we had to overcome that problem. But he went on to say something which personally horrified me. He talked about containing China. I have heard statements of that kind before. I was brought up in the political world when the great argument before the war was that we ought to contain Bolshevik Russia. That kind of argument led to the Second World War.

I believe there is a better argument than speaking in terms of containing China, and that is, to bring China into the Community of Nations. That has been Britain's policy for a long time. There are more ways than one of killing a cat. If one has a rogue elephant in the political world one gives him responsibility; and it is responsibility that China should be given at the present time by being brought into the United Nations and then becoming part of the means of peace-keeping throughout the world. That is the answer to the problem of China. It is not a question of trying to ignore one fifth of the world's population. We cannot cast them aside. The answer is to bring them in. If you cannot beat them you join them. In this case it is a question of them joining us in the United Nations.

I have strayed a little, but I felt I had to make those remarks in relation to the question of China because I would like to see all nations represented here giving their full support at the United Nations to bringing China into the community of nations, into the United Nations. (*Applause.*)

The Chairman. — Thank you, Mr. Heffer.

I now call Mr. Schulz.

Mr. Schulz (*G*). — Anyone who is deeply concerned for the idea of European unity and for the continued progress of the institutions created to promote it cannot but point out certain recent contradictions in this evolution and make an attempt to solve them, in company with other like-minded persons. To me this auspicious meeting seems to offer at any rate a starting point. I realise full well that any such attempt must obey a time-honoured tradition of this house, which bids us not only be courteous among ourselves, which goes without saying, but also observe a courteous reserve in relation to other institutions, even though there may be many grounds for dissatisfaction and serious criticism. I hope I may not transgress against tradition in this house if I decide that I must speak with complete frankness on this question.

The first contradiction I am concerned with is theoretical in appearance, but in its practical bearing it leads to a peculiar form of schizophrenia. Unfortunately, in my view, a number of prominent statesmen and politicians are responsible for this, as it is they who have recently tried to persuade the world that politics and economics are two entirely separate spheres and that both activities could be carried on side by side independently. The contrary is of course true. One no longer has to be a socialist to observe the indissoluble connections between these two spheres, and, as a corollary, to realise that political and economic activity is to some extent necessarily identical. That is a commonplace, which today is familiar to every elementary school pupil upwards of a certain age. Whoever denies this fact is liable to incur the suspicion that, consciously or subconsciously, he harbours thoughts which, if nothing else, are harmful to the development of Europe as an effective community.

Certainly the European Economic Community is primarily an economic instrument or, if you prefer, an economic machine. But the basis on which it has been built up, that is to say the Treaty of Rome, and also its history, at first so successful but in recent years so disturbed, prove that EEC is also a political entity, and a political entity with its own laws. Or can it be seriously disputed that the withdrawal of decisive economic

powers, the removal of such powers from the level of national legislatures and their transfer to a literally supranationally constituted body such as the Council of Ministers as willed by the Treaty of Rome, represented a political decision of the first magnitude?

This brings me to the second contradiction, which particularly of late has become topical. In taking this step the States concerned accepted for a transition period of some length the risk of a democratic vacuum. Such a risk would have been tolerable if the Council of Ministers had developed that community spirit in order to become a supranational element within the EEC institutions, or—I will choose my words with care, for one almost fears to give utterance to this discriminating concept of supranationality—at any rate an element tending towards supranationality.

It is just these hopes which have been so bitterly disappointed. In recent years the Council of Ministers has become a forum which has shown little evidence of that European community spirit, but has produced all the more clashes of national interest, whose often distressing violence fills public opinion with regret, indeed almost with despair, without its being able to form a clear idea of the causes. In fact, the explanations given to the public by national Governments in their Parliaments are often calculated to confuse the mind rather than to remove the causes of tension.

I mention these facts not out of national prejudice, or even in a spirit of malice, but quite deliberately as a European of German nationality, who quite definitely includes his own conduct, that is to say the attitude of the German people, of his own Parliament and of his own Government, in this criticism—in fact applies it primarily to them, which is as it should be.

I must, however, make one qualification: this lack of European consciousness is certainly not attributable to the EEC Commission or the European Parliament. On the contrary, in

the last few years both these institutions have already accomplished tasks whose value and pioneering significance will perhaps be fully realised only by historians of the future. As a member of the Consultative Assembly of the Council of Europe I feel I must take this opportunity to make this avowal to my colleagues in the European Parliament.

There can be no doubt that the phenomenon of a certain stagnation, or perhaps of an increasing self-sufficiency, within the EEC camp recently is due to a lack of power on the part of the EEC bloc to attract other States, particularly the EFTA partners. In the course of the debate our British colleagues, Mr. Duncan Sandys and Mr. Heffer, have referred to this and given several examples.

Now we have heard in the two opening reports proposals to overcome a split in the democratic States of Western Europe into two economic blocs. If my interpretation is right, there are really only two possibilities. The first is to rely on time as a supposed automatic remedy to overcome national egoisms and objections which exist even today. That leaves only as a solution the much discussed bridge-building: this, subject to a necessary structural change in both blocs, certainly leads to a compromise, which may be termed a modified free trade area, or whatever.

In his passionate plea yesterday Mr. Czernetz, and today Mr. Heffer, sought to prove that these two blocs cannot be dissolved in the foreseeable future. I should like to submit an opposite view: had it not been for a quite specific—and to my mind most regrettable—political situation late in 1962 and early in 1963, Great Britain, and presumably other EFTA States as well, would already be Members of an enlarged Community. In my view, therefore, it is not ordained by fate that these two blocs are indissoluble. On the contrary, I do not regard time as a reliable factor, even if one sets a definite limit to the future one predicts.

I should like to mention a particularly sad example. An essential instrument for giving a political character to EEC—the

renunciation of the unanimity principle for a number of important decisions, which should have come into effect on 1st January this year—has been sacrified, or at least diluted, by a compromise which replaces the unambiguously resolved Treaty law by a nebulous good will on the part of individual partners. The Treaty of Rome has thereby been deprived of one of its main constituent elements. After all, there must be equal rights for all even where negatives are concerned. What is lawful for the big EEC States, such as France, Italy and the Federal Republic, must also be lawful for the smaller partners, the Netherlands, Belgium and Luxembourg, namely to block any progress towards the realisation of larger and more powerful collective interests by pleading alleged vital national interests.

Moreover, imagine the institutions which would have to be created in order to enable any such modified free trade area to function for a quite indefinite transition period. It at first two or four years are mentioned, in no time twelve or even more years will have passed. Does not that almost inevitably mean a further strengthening of the powers of the various Executives, the creation of an enlarged Council of Ministers and possibly a new pseudo-parliamentary institution which may perhaps contain a maximum of good will but only a minimum of effective power?

The second objection to the idea of bridge-building is even more serious. During the utterly inconclusive transition period the efforts of all members of the EEC camp, who are clamouring to limit the omnipotence of the Executives here and now and to secure democratic progress by enlarging the European Parliament's powers of control and by continually developing the integration factors contained in the Treaty of Rome, would be blocked.

I believe therefore that, however honestly intended and introduced, a policy of small steps designed to help build a bridge is more likely to become a policy of marked retrogression from the European idea; especially since it is the tendency of our time, no doubt caused in the main by reverses suffered

by the supranational idea, to put a premium on national and even nationalistic ambitions in some of our member States. I agree fully with Mr. Czernetz in his realistic appraisal of this danger.

The second possibility will suggest itself to anyone who accepts the principles contained in Mr. Catroux's report. I do not agree with all the details or all the conclusions, but I should like to extract a principle to which I am pledged:

A free trade area, however designed or by whatever name it is called, offers no substitute for an economic community which, despite strong resistance from within and without, has become a significant reality and achieved notable successes.

If, Mr. Chairman, that is a fact—and I believe it is— then consequent action would certainly have to be taken by both EEC and EFTA.

First, EEC would have to abandon its complacent policy of wait-and-see. With the utmost honesty, openness and good will it would have to open negotiations designed to ensure that one day all the EFTA nations, together with Great Britain, may co-operate symbolically within the Treaty of Rome. We cannot afford a second reverse such as that of January 1963; we cannot afford to allow the whole work of European unification to collapse because of the possibility that a country like Great Britain may once again be in practice kept outside the door. In such negotiations, however, the EEC States need the maximum understanding of the special position of Great Britain—as was explained here in detail yesterday—as well as of the neutral States.

In this situation broad and flexible transitional arrangements for the non-neutral States are conceivable. These may last, two, four or even more years. The important thing for the public, for the European nations and for the world is the target date. The public must know exactly when the States who wish to join will enter the enlarged Community with full responsibilities and full rights.

In the case of the neutral countries more imagination and more initiative will be required than has hitherto been shown in order to devise a special status which reflects the political responsibilities they have freely assumed in relation to the world; we in this room all realise that in the case of Austria obligations and considerations are especially onerous and demand special concessions.

However, EEC's partners, and especially Great Britain, must also be asked to appreciate that the existing democratic institutions within the EEC countries cannot indefinitely postpone their efforts to make the Economic Community work more smoothly and effectively in future. We are concerned not with academic hair-splitting, not with doctrines, not with ideologies, not with rigid attitudes, but, as I see it, with matters of decisive and urgent importance for all concerned.

We must in my opinion appeal to the EFTA States not to take advantage of this moment of admitted weakness and confusion within EEC which has arisen from recent developments, not to seek to slow down the supranational tempo—if indeed there can be any question of tempo at the present moment—but, on the contrary, to exercise pressure, to make it a condition, that parliamentary democratic processes within EEC shall be strengthened. What we are after is surely not some loose form of co-operation between Governments purely in deference to convenient economic slogans, governmental co-operation which may at any time be discontinued, even though perhaps only as a result of faulty assessment of the situation and of illusions. We all still acknowledge loyalty to the idea of an indissoluble community of the European peoples. Despite all tribulations, we are not going to forget entirely the law in obedience to which we assumed our task.

As a German I should like to add, and to do so in all frankness and with all respect, that something decisive is to be expected from the co-operation of Great Britain, of all countries, because, together with some other EFTA States, it is one of the oldest, most venerable and yet most live democracies of our

continent. With Great Britain and other EFTA States as Members, we should probably be able to approach our great goal more quickly—the goal of a European Parliament elected by the peoples in free and secret ballots and equipped with the necessary powers.

To pursue this road in all steadfastness seems to me the only chance of success in the decisive situation we are in today. And we must do what we have to do quickly. If we did not, despite all the optimistic forecasts, Europe would not become a stable third force, purged by terrible experience and therefore peace-preserving—or perhaps a fourth force, as we tend to forget China—but would irrevocably lose contact with the future and would remain on the fringe of world politics. In that negative event the question raised here yesterday by Mr. Czernetz whether a possible American-Soviet condominium could be dangerous to us Europeans would probably solve itself. The two giants will have no alternative but to take our destiny in their hands in some form or other, benevolently or otherwise, if we miss the chance to act with determination and to shape our own destiny. History has no more patience with our doubts and our resentments—it awaits our resolve to act. (*Applause.*)

The Chairman. — Thank you Mr. Schulz.

I now call Dr. Summerskill.

Dr. Shirley Summerskill. — First, along with my British colleagues, I should like to reaffirm our desire to enter the European Community. Throughout this debate nearly every speaker has expressed his wish that Britain should become a Member of the Community, but many of them felt a doubt as to our genuine desire to join.

I wish to point out that in Britain today this is no longer a major matter of dispute among politicians. A majority of Members of Parliament in the House of Commons, belonging to all three parties, are members of the British Council of the European Movement. Many others are now increasingly sympa-

thetic to the idea. There has been a definite change in the climate of opinion about this over the last few years among both politicians and the British public.

Prejudice and insularity are rapidly being overcome. In just over a week's time the British Labour Party will be holding its annual conference. It is worth recalling that only four years ago at that conference the main controversial issue was Britain's entry into Europe. Hugh Gaitskell, in a now famous speech, laid down at that conference Labour's conditions for Britain's entry, but since that time many people—and I am one of them—who at that time agreed with Hugh Gaitskell have now changed their opinion and feel that his attitude in this matter was far too rigid.

It is notable that at this year's Labour Party Conference the great debates which will take place will concern Britain's economic policy and the subject of Vietnam. This is because there is no longer a serious division of opinion in the Labour Party about Britain joining the Economic Community. As Mr. George Brown said, the question is not whether we go in but when we go in. This question of the timing of our entry has caused many speakers here to use such words as "urgent" and "time is short", but I must point out that if Britain is not rushing to enter the Community it is because, as Mr. Patrick Gordon Walker pointed out, she wants to be sure of success in our next negotiations. Her lack of haste is not related to her temporary economic difficulties.

I do not regard entry into the Community as being a magic solution for the economic difficulties which Britain faces at the moment. Her last unsuccessful negotiations for entry were carried out in just that kind of unfortunate atmosphere and this did not meet with the sympathy of the British people.

Our immediate problem is to put our own house in order, and this applies whether we join the Community now, next year or in the next two years. We are well aware of the problems which joining may bring the British people. As Mr. Gordon

Walker pointed out, rising prices are a problem which our housewives may have to face, and in my constituency they are aware of rising prices. This is one of the imponderables of entering the Community, but it is a problem which housewives are facing even today, just as they have been facing it for many years. But at last the Government are making an attempt to steady prices.

Agriculture employs only 4 per cent of the population of Britain, but the problem of agriculture remains one of the most important to be solved before we can enter the Community. If we do join we shall save £282 million a year which we now spend on subsidies. Some of this could well be used immediately to improve our system of family allowances and so help reduce the costs to housewives.

But it is essential, as has been pointed out, that instead of being bogged down by the smaller matters we should keep in mind the broader view, the great and tremendous advantage which Britain would have in joining the Community. Britain should not hesitate to enter Europe because it would mean paying a half-penny more for a loaf of bread.

There is, then, the great problem of defence and foreign policy. It seems clear that it will never be possible for an agreement to be reached on this matter amongst all Members of the Six. I take two examples. In Vietnam, Britain has a special role as co-Chairman of the Geneva Conference. She also has a particular responsibility in the Rhodesian crisis. Independence in foreign policy is even showing itself now for the first time among Commonwealth countries, and this is a great development—some may say that it is a retrograde step—in the relationship between Britain and the Commonwealth. Australia is showing an independent policy towards Vietnam and the African nations towards Rhodesia. So I fail to see how in Europe we could always maintain agreement over these vitally important matters.

I believe that Britain, the Commonwealth, the rest of Europe and the developing countries would all benefit if Britain were a

Member of the Community. A divided Europe is less effective in helping the rest of the world with both trade and aid. Only if we are co-ordinated can our help in this way be really effective. In future, there will be four great Powers in the world—the United States, the Soviet Union, China and a united Europe. I think that we here all agree that Europe without Britain would be weaker in economic strength and in political influence. (*Applause.*)

The Chairman. — Thank you.

I call Mr. Moreau de Melen.

Mr. Moreau de Melen (*F*). — Mr. Chairman, Ladies and Gentlemen, as we have three reports of the Council of Europe and a report of the European Parliament before us, we have to make a choice; as a member of the Assembly of the Six I find it preferable to give first consideration to the work done by the other Assembly.

Furthermore, as the Rapporteur of the European Parliament is the respected Chairman of one of the committees of which I am a member, I should be likely to display some partiality in assessing his admirable work. Of the Council of Europe reports I should like to concentrate on a single one, that by Mr. Kershaw.

Why? Because the general and main problem of our debate in this Joint Meeting is the enlargement of the Community. And the key problem to this enlargement is Great Britain's entry into the Common Market.

So for us members of the Six who do not always have an opportunity of hearing British colleagues give us their views, a debate of this kind is highly interesting, the more so because it provides us with an opportunity for seeing a report so objective as Mr. Kershaw's.

It was a very great pleasure to read. It is not only objective but remarkably lucid and characterised by absolute fair play,

which proves to us that those who look down on the Great Britain of today are wrong and that it has preserved the yeoman qualities which it has displayed in the past. I should like to concentrate mainly on the systematic review of the components of English public opinion given by Mr. Kershaw.

He began by speaking of the Government's opinion. We are familiar with it and need not revert to it. I should, however, like to stress a quoted statement by Mr. Brown who, without mincing matters, said that the ultimate aim should be a Common European Market embracing EEC, Britain and any other European countries that wish to participate.

That is forthright. It is the ultimate aim; stages will perhaps be necessary—but it is interesting to note this approach to the question.

The Conservative opposition? We have known its favourable opinion on British entry since 1961. The attitude of the Press is rather in favour. But what particularly interests me and is a thing to which I should like to draw our assemblies' attention is the attitude of industry. This point seems to me capital. Since October 1965, the Rapporteur tells us, the Confederation of British industries has been engaged in a number of studies, the findings of which should make it possible—or so it hopes—to prepare recommendations relating to the measures of adjustment to be taken by industrialists, by trade unions and by the Government.

On the whole, the Rapporteur considers that industrial circles are basically favourable towards Great Britain's entry into the Common Market; and that is important. He adds that this view varies from sector to sector of industry but it does exist.

Do not be faint-hearted, my dear Mr. Kershaw. We Belgians have some experience of economic and customs unions. We have had an economic union with the Grand Duchy of Luxembourg since 1921. We entered Benelux immediately after

the war. Do you think that Benelux was greeted with enthusiasm by all my fellow citizens?

I have a vivid memory that all the way from the city of Liège, of which I am the Deputy, to Brussels, the seat of Parliament, huge posters held up to obloquy the Dutch and those who had dealt with them because certain industrial circles were suffering from the other party's competition, either because they were less well-organised or because the conditions of production were less favourable.

That will always happen. You must expect in England, like us in Belgium, a certain amount of gnashing of teeth and certain difficulties when the union is established. There can be no doubt about that. Industries will have to adjust themselves or retool.

That reminds me of a seminar I once attended in Luxembourg, during which I heard a member of the High Authority, a Frenchman—he is no longer a member—explain to us that at that time there existed along the Pas-de-Calais or the English Channel a coal briquetting industry, the raw material of which was coal dust, bought very cheaply from Great Britain because the English mines, which produced very good coal, thought that coal dust was just dust. But one day the English said to themselves: "Why are we letting the French manufacture those briquettes? We could just as well produce them ourselves." They immediately stopped exporting dust. Accustomed as they were to the protectionist atmosphere prevailing at that time, especially in France, the French briquette manufacturers went off and wept on the shoulder of the Government at Paris. It replied: "You have come to the wrong place; since the ECSC Treaty, we can no longer do anything for you. Apply to the High Authority."

These poor manufacturers resumed their pilgrimage and wended their way to the High Authority in Luxembourg. The High Authority told them: "We cannot do what you want, but you have one way out: retool. If you do this, ECSC will give

you the cash you need, as it has cash at its disposal for the purpose; otherwise, you are out of business."

The French manufacturers reacted like the go-getting businessmen they were. Brought to the point, they saw it; they retooled and lived happy ever after.

That is what we must do, because, by the mere force of circumstances, difficulties will arise as soon as any such union is brought about.

I therefore find the industrial circles' reaction perfectly ordinary and encouraging.

The trade unions are impressed by the full employment existing in the six countries, and find it an excellent argument for British accession and in this respect I am glad that Mr. Hallstein reminded us yesterday of the successes achieved by the Common Market during the year.

Agricultural circles are raising more objections. But the Rapporteur notes all the same, at the end of paragraph 14 of his report, that *The Economist* of 14th May 1966 considered that the majority of "go-ahead" farmers now approve accession; and that is yet another positive factor.

I will not go over the fine points brought out in the section devoted to the Commonwealth but I will stress that even in the three countries most affected, Australia, Mauritius and New Zealand, it is recognised that from a political point of view Britain must be free to play a full part in Europe and that all they have a right to demand is that Britain should make her entry into EEC conditional upon obtaining economic safeguards.

Gentlemen, the Treaty of Rome includes safeguard clauses and obviously they can be relied on.

We are given a picture. It is a very good one and illustrates for us, especially as members of the Parliament of the Six, the

state of British public opinion. That state of mind has also been confirmed by the interventions of our British colleagues; I listened with particular pleasure to Mr. Duncan Sandys. Everybody is ready. It has, of course, as I noted, been emphasised that some approaches have remained vague or have even elicited no response. I am not blaming the Commission, for it is not its business; it is the business of the Council of Ministers.

I can find no explanation for this silence. For if one of the partners once created difficulties, we know that its position has greatly improved since then. So I imagine that there must be some misunderstanding.

In any case, so far as we, the Six, are concerned, we know what our attitude is. Almost all of us are in favour of Great Britain's entrance into the Common Market. We also know that we do not intend that this Common Market—but the British are not even asking that of us!—should be replaced by a broad free trade area, totally lacking in coherence and lacking the weight, too, to confront the American economy and the Russian economy. What we must do is to preserve our characteristics under the Rome Treaty: a market, a great European Common Market.

So far as Great Britain is concerned, you can see that official government circles have no fear of using the word integration. I am not even asking that it should be used. In this respect, we should preferably avoid calling things by their names. Why should we place on a thing we want and whose characteristics are known, a label with Anatole France's "six blanks" which may perhaps hurt somebody's feelings?

The British are practical people. The reality of the thing will be enough for them and we shall scare them less if we refrain from using words which might be likely to arouse their misgivings.

In conclusion, let us note that the balance sheet for the preparation for the Community's enlargement certainly shows

credits. Progress has been made during this year 1966 and yet more progress is required. That is something to be thankful for. (*Applause.*)

The Chairman. — Thank you, Mr. Moreau de Melen.

I am now going to call Mr. Webster and after he has spoken I will invite Mr. Rey of the Commission to comment on the debate so far.

Mr. Webster. — I hope I may be forgiven if I am less general in my remarks than other speakers and probably more specific to the exciting new technical developments, particularly in the nuclear sphere and the prospect of international co-operation. We in Britain, who seem to be rather self-conscious this morning, are well aware that whether the Economic Committee admit us to membership or not there is still tremendous scope for co-operation both in scientific projects and in economic projects going hand in hand; because if the politicians fail to get an accord, to reach agreement, there are still the businessmen and the economic development which in a very prosperous part of the world give us the great opportunity for progress and genuine development.

It is, as you know, a tradition that at this stage of our Assembly a member of the Economic Committee should intervene to discuss energy problems. It is for this reason that on behalf of the Economic Committee I should like to take advantage of the presence of members of the European Economic Committee, the High Authority and the Euratom Commission particularly to welcome Mr. Rey and say how much I welcome his presence here. I would like, if I may, later in my remarks to ask him some questions. Not having many officials with him he may be unable to deal with these offhand, but I would very much appreciate it if he could let me have the answers at a later stage. That would be most helpful.

I should like to say how much we in this Assembly have always welcomed and respected the close co-operation which

we in the Council of Europe have had from the three organisations to which I have referred, and I would express my personal thanks for the great help which they have given to me when I have presented reports to the Assembly on energy matters.

With regard to nuclear developments, it is accepted that we in Europe are reaching a point where, as regards economic power-raisings, there is a close parallel between the nuclear power stations and other methods of raising power. At this stage it is essential that estimates of nuclear power costs should be as accurate and realistic as possible to permit a fair comparison between the various types of nuclear power raising, whether by heavy-water reactors, advanced gas-cooled reactors, or other methods which the Americans have pioneered. In this connection I would quote the Seventh Report, two years ago, of Euratom, which said that the cost per kilowatt-hour of energy produced in the Community's nuclear power stations is the cost as stated by the enterprises concerned. Given the wide differences in construction concepts and consequently the varying make-up of different cost elements, the figures do not allow a straight comparison to be made between the cost of energy produced by the different stations. To be valid, any such comparison would necessitate adjustments being made. I trust that this, and the way of implementing this, is still under study.

That was two years ago. In the Eighth Report, made last year, this warning was given again, but remarks about studies for the harmonisation and implementation of this process were omitted. This year's Report has neither, and we are bound to ask the reason for the omission. I should like the assurance of Mr. Rey that these studies are continuing and that we are going to overcome the admitted and acknowledged difficulties of getting an adequate cost comparison.

I am fully aware of the difficulties in reaching adequate and common cost criteria, and any definite and reliable estimate must be based entirely on firm tenders on sites. I also appreciate that cost is not the only criterion; there are such other

factors as credit, source of fuel supply and so on, and there is a political choice in each of the countries concerned. Now that the Europeans are using local consortia to develop these things this factor has also to be considered, but there is sufficient doubt remaining about the cost basis to allow for a heavy pressurisation of Members of Parliament. We are used to that, but we should like the figures to work on and want the assumption of comparability to be fairly put, with regard both to interest rates, whether peak load or base load, amortisation—the Europeans have a 20-year write-off period and the Americans a 30-year period—and so on. These are capital-intensive industries, and this makes a considerable difference. I hope that we shall be assisted in getting some adequate basis of comparability, and I am sure that in the Reports of Euratom there will be a growing awareness of this difficult but not insurmountable problem.

I ask Mr. Rey, therefore, what is the position with regard to the study of harmonisation which was commenced two years ago, and to which there is no reference in this Report. If he is not able to answer that question now I shall fully understand that, but I would appreciate hearing from him at a later date. Secondly, in the next Report from Euratom can we have some specific reference to dealing with this cost problem?

These are really prosaic matters to discuss immediately before lunch, but we in this Assembly and in the Economic Committee wish to be more than enthusiastic spectators. There is tremendous scope for international co-operation provided the thing is done on a proper economic basis, because we have seen in the last two years advanced projects such as ELDO, advanced imaginative scientific projects, which have fallen into difficulties because the economists did not have the appropriate opportunity at the early stages to make sure that economic checking was made. It is essential for the economists to go hand in hand with the inventors if these imaginative inventions are to be used for the maximum benefit of mankind. Also the whole of the international fuel policy of the countries of the Six and outside it today, is involved in this. There is the problem of coal in France in the Pas-de-Calais, and of electrical orthodox power raising, while in Holland and in the United Kingdom,

and perhaps in Norway, there are exciting developments in the use of natural gas. All these things require very difficult cost evaluation.

So far as Great Britain is concerned, my colleague Mr. Kershaw talked yesterday, I thought a little pessimistically, about certain technological developments where the Americans are increasingly moving ahead of us. In nuclear power raising, we have the biggest power market and the biggest possibilities of power development in Europe rather than in the United States, so that it is right that at this time we should check these things and make sure that they are adequately costed, and in this way make sure that international co-operation is not frustrated because the matter economically has got out of hand. (*Applause.*)

The Chairman. — Thank you, Mr. Webster.

I call Mr. Rey.

Mr. Rey, *Member of the Commission of EEC (F).* — Mr. Chairman, Ladies and Gentlemen, I come to the rostrum not because I want to make a long and important speech, but so that the meeting can hear me more easily when I try to reply to some of the things that have been said of more particular interest to EEC.

I hope Mr. Webster will not be annoyed with me if I tell him straight away that the points he raised really come within the purview of the Euratom Commission, and I imagine my colleague, Mr. Sassen, will be replying either today or at a later Sitting to the very pertinent questions he put.

The few short remarks I have to make, Ladies and Gentlemen, I will group under three heads: the political conditions for European unification; the attitude of mind in which these problems should be tackled by the Community; and the time-table.

It is fair to say that European unification has once again become practical politics. After three years of disappointments, after the unexpected break in the negotiations in 1963, which was a great disappointment to the Community and also, we have to admit, to those outside, it seems to me that that epoch is past and that everyone is looking towards the present and the future. Public opinion outside the Community has made great strides in this respect. There has been a remarkable change in British political thinking, which we must really welcome, and at the same time there is a growing impatience in other European countries which in no way conceals their desire for a quick start to be made in solving these problems.

Perhaps I may venture to say—for you know, of course, that, on matters which have not been the subject of common agreement by the member States, the Commission is not yet their political mouthpiece—however, perhaps I may venture to say that I have a feeling that the climate is beginning to warm up again inside the Community too, and that the idea is beginning to gain ground not only among certain individuals, but among the member States, that Europe's economic independence—which we obviously all value—depends not only on the Community's progress and economic policy, but also on its extension.

The result is that this idea is becoming topical again, so that I can say straight away to those who wondered whether the Community's doors would remain closed forever that I am sure they will not.

May I also add that a great step forward was taken politically when both our European neighbours and you yourselves in this Parliament, in a memorable resolution adopted here in January 1966, which greatly impressed us in Brussels, showed that the idea of extending the Community—the true means of unifying Europe—had taken precedence over the traditional one of a bridge between our two organisations.

I have nothing to say against a bridge, nor against technical and political contacts between the European Free Trade Associ-

ation and the Common Market. Everyone knows that our Commission maintains regular co-operation with the EFTA Secretariat. Our most recent meetings took place in July. And when the EFTA Ministers made it clear that they would like to meet ours, our Commission made no secret of the fact that they thought it was a good idea.

If the Ministers of the Six have not yet replied, it is perhaps, first of all, because the invitation arrived at a moment when the Six themselves were in disarray, and it was therefore difficult for them to give an agreed reply. Perhaps too, it was because the next invitation, which came from Bergen, arrived just when the Ministers were too occupied in catching up with their outstanding business and in the production of an economic policy, especially for agriculture, so that they had not much time to go into the problems which that invitation posed. But it is nevertheless true, as I wish to repeat once again, that the Commission of the Common Market hoped—and told the Ministers so—that the invitation would be accepted.

I now come to my main subject.

When the Seven and the other European countries have come to the conclusion that unification must be sought through an extension of the European Economic Community, a great step forward will have been taken and, let us say at once, it is now up to the Community.

So long as we were rather vaguely discussing some indefinite conditions for rapprochement between our two great organisations, responsibility was divided. But from the moment we were told to settle our own internal differences first—you asked us to do that in January, Mr. Chairman, and it is now done—from the moment we were told that other countries wished to join the Community, it was for the Community to reply. In other words, a reply by the Community once again belongs in the realm of practical politics.

Regarding the attitude of mind which will govern these discussions, I want straight away to reassure all of you who

may fear that the European Economic Community may be too inflexible in their approach. There is no danger of that. Naturally, there can be no question—and no one has suggested there should be—of the extension of the Community requiring us to renegotiate the whole Rome Treaty, nor do I think it would be necessary to renegotiate the entire policy that has been built up within the Community over the last eight years.

But when we are told that the whole basis of life among the Six may be changed in certain respects, that a Common Market of Seven, Eight or Ten may in certain specific ways look very different from a Common Market limited to the Six, that is quite true. We are told that we should be prepared to discuss such changes afresh, and I am delighted to find a statement to that effect discreetly but clearly set out in Mr. Diomède Catroux's excellent report. I want to say quite categorically that that is how the Common Market Commission regards the problem. We told our Danish friends so just before the holidays, and we have just told our Irish friends the same thing this week. No one need fear that the discussions will be dogmatic and inflexible. On the contrary, they will be quite pragmatic.

I also want to refer to Mr. Reverdin's short, but very interesting speech, in which he asked us not to lose sight of Europe's diversity when we set about unifying that continent. How right he is! Although we naturally have to agree on some common aims, it is none the less true that there is great diversity in Europe and that we cannot unite Europeans by thinking of them as we would like them to be; we have to take them as they are.

That is exactly what the Community is doing at the present moment in its negotiations with Austria, which poses some very delicate and difficult problems. We seem to have been able to make good progress on both sides in trying to reach an agreement which takes account of Austria's well-known special circumstances.

My last remarks, Mr. Chairman, have to do with the time-

table. I listened with great interest yesterday to what our distinguished Rapporteur, Mr. Kershaw, had to say, so clearly, frankly and courageously, about Britain's present financial difficulties. He told us it would certainly take three or four years to overcome them. If I understood him aright, he suggested that it was only at the end of that period that serious negotiations could begin on Britain's entry into the Community. I am afraid such a time-table would be terribly disappointing, if not for the British themselves, at any rate for other European countries. They are certainly not faced with the same problems, but they would probably not wish to wait till Britain has solved all her internal difficulties before starting negotiations.

My reply to Mr. Kershaw is to be found in the Community's own time-table. I must admit quite frankly that the strength the Community has acquired during the years of its existence has not been acquired rapidly. When we realise that our Ministers, who have a great many problems to deal with in their respective capitals, meet only once a month in Brussels, and that if the Council does not finish its work, discussion on any particular question cannot be resumed until four weeks later, it is obvious that our negotiations are not very speedy. If they want to make up for the time-lag between their meetings in Brussels, our Ministers can, of course, work all through the night in some marathon sittings which are somewhat tiring, but effective. But this does not prevent the procedure being rather slow.

If I may hazard a guess about the amount of time things are likely to take, even supposing—which is not the case—we were to start today, it would not be going too far to suggest that exploring all the problems with our European partners would take twelve months. If we then want to negotiate with them, it is no exaggeration to say that another twelve months will be necessary.

This period is shorter than we needed for our negotiations with Greece, with Turkey or with Austria, or than the interrupted negotiations with our partners in Europe.

After that, there is the ratification procedure, for these treaties have to be ratified by our six Parliaments, and our experience in the case of the Rome, Athens and Ankara Treaties, and the Yaoundé Convention proves that these formalities also take about twelve months. In present circumstances, it takes about twelve months to ensure an affirmative vote in our Parliaments, which all have their own elections, problems and crises to consider.

Added up, this represents a period of three years. It would be better, in my view, not to add this on to the preparatory four-year period that people talk about, but to try—and I do not think Mr. Kershaw will disagree if I say this could be done—to get these two periods to run concurrently rather than consecutively. So we should not wait till the British or ourselves have solved all our internal problems before starting these negotiations, or at any rate these exploratory conversations.

We all know that the British Cabinet has now begun to study the question, to review the 1961-63 negotiations, to consider the opportunities now presented which in general seem to be more favourable, and to have a look at what new problems there may be.

It seems to me that the time will come when we should carry out this exploration together; in any case, it must not be put off too long. In actual fact, all our Governments and all our organisations will be very much occupied during the winter and up to next spring with the Kennedy Round, which will require each one of us to expend a great deal of energy and political imagination if we want those very important negotiations to succeed.

I believe—and I want to say this in conclusion—that we shall succeed in the Kennedy Round. But it will mean a gigantic effort for six months. To put it another way, before that undertaking is concluded it will be rather difficult for us to do any serious work together. And what is more, the results of the Kennedy Round negotiations will be a factor to be taken into account during our common discussions.

That said, once those negotiations are concluded we should not waste much time before starting to study our common problems.

That is the hope I wish to express, Mr. Chairman, in telling you that the important debate which has been taking place in this hall during the last two days in such an excellent atmosphere will certainly have contributed greatly towards creating the psychological conditions for enabling us to take this next essential step towards the unification of Europe. (*Applause.*)

The Chairman. — On behalf of both Assemblies, Mr. Rey, I thank you for attending yesterday and intervening today. We are most grateful.

Mr. Sassen of the Euratom Commission must leave Strasbourg this afternoon, but he has very kindly agreed to comment now on the debate so far.

Mr. Sassen, *Member of the Euratom Commission.* — I shall make only a few remarks. I said yesterday that I hoped for an interesting debate in the light of the very high quality of the report, and I am now glad to say that we have had such a debate. It has clarified the situation substantially, together with the possibilities and methods for finding solutions and the principles upon which such solutions should and have to be based.

There is no reason for me to comment any further on the points already answered by my colleague, Mr. Rey. I would add, however, that I have noted with great satisfaction the various interventions dealing with scientific research and scientific policy. We have noted the great interest of the meeting and the great controversies of opinion on the subject.

Mr. Webster put a very precise question to me which I would not wish to leave without an answer. We did not mention in our last two annual reports a certain amount of uncertainty about the comparison of figures to which he referred because in the meantime a comparative study enabling us to have a

clearer view of the figures to be compared was being carried out in close connection with our British friends of the United Kingdom Atomic Energy Authority and our American colleagues of the US Atomic Energy Commission. This is neither the place nor the time to go into details about the results of this comparative study, but I have noted that Mr. Webster would be glad if we could be more explicit on the point in our next annual report. My Commission will bear that in mind, and if in this same place we discuss the Ninth Annual Report perhaps his wish will be seconded by other members of the European Parliament. (*Applause.*)

The Chairman. — Thank you, Mr. Sassen, for coming yesterday and again today and for speaking to us. We are most grateful.

Eight speakers remain to be called in the debate. We must now adjourn until 3 o'clock sharp this afternoon.

(The Sitting was suspended at 12.58 p.m. and resumed at 3 p.m.)

The Chairman. — We now resume the exchange of views between members of the European Parliament and members of the Consultative Assembly of the Council of Europe on the report on the activities of the European Community and Europe's political and economic responsibilities in the world.

The first speaker on the list is Mr. Dodds-Parker.

Mr. Dodds-Parker. — I apologize to all officials of the Council for continuing to speak on a lovely afternoon in Strasbourg meant for better things. I do so if for no other reason than because I wish to thank Mr. Rey for the words of encouragement he gave to us "second-class European citizens" hoping to come in from the cold. He started with some rather gloomy remarks about "the future being brighter" and "the outlook warmer", but "it is pretty frigid". He "does not believe doors will be permanently closed". He went on to say, however, that there will "be no dogmatic rigidity" and "that

future negotiations will be opened in a good spirit". Beyond that he gave a most interesting time-table, which may be longer than many of us hoped would be necessary to settle the future association of other countries with the Community.

In the case of Great Britain, so much of the ground work was covered in the past negotiations that one hopes and believes it will not be necessary to take up quite so much time as perhaps he fears. If I may say so without causing embarrassment, I have listened to him on a number of occasions; sometimes when I thought he was over-optimistic he has turned out to be as right as anyone to whom I have listened in the last five years. I hope therefore that this forecast of the time in which the rest of us will be able, if we wish, to associate ourselves with the Community is a realistic one.

Needless to say, I look forward to the United Kingdom and our EFTA partners joining the Community at the earliest opportunity. I welcome the very interesting reports of Mr. Catroux and Mr. Czernetz, and even more the excellent speech of Mr. Czernetz, and share the frustrations he described so eloquently. I also listened with respect to Professor Hallstein and his two colleagues yesterday. We all salute the remarkable progress they have made in the Commission.

My colleagues Mr. Sandys and Mr. Heffer said, in effect, that we should stand back from time to time and look at the wood and not spend too much time looking at each tree. The word today, the theme, is the extension of the European Community. All seem agreed on the intention which is to extend the Community in due course. In January 1966, as Mr. Rey mentioned, Mr. Sandys' Resolution was passed by, I believe, 84 votes to 11. It urged that early action should be taken on closer association. This was the virtually unanimous view of the elected representatives of most of Europe. But what has happened since? I have put down questions but have had no satisfactory reply. I have done what I can in my own Parliament at home, but it has been disappointing to all of us to see how little progress we seem to make, despite the unani-

mous wish of the elected representatives of Europe gathered here.

Secondly, on the question of the method of our association with Europe, we all realise that it must be along the lines of the Treaty of Rome, the Coal and Steel Community and Euratom, which may in due course be co-ordinated. This will include agriculture, where since our last meeting the disagreements inside the Six have been satisfactorily resolved, and we are all happy to see the solution which allows the Community to move forward.

With the growing population of the world and the growing food problem, Europe has to look at its own agricultural policies and consider the need to feed itself more and more, not relying so much, as we in Britain have done, on low-cost supplies of food from outside the European area.

The third point is the timing of the entry of other countries into the Community. I have been unable to find out from any of the opponents of the extension of the Community at this time what they are proposing as a time scale for the rest of us. If they do not want to enlarge the Community now, if they are not prepared to keep NATO going when the need is so great, what proposals have they to face the immediate and urgent problems which confront Europe today? I believe that Europe is in greater disarray than at any time since the 1930s. One of the many advantages to those of us who are involved is that now we have here a meeting of parliamentarians from most of the countries of Europe, which was lacking in the 1930s, and we can warn our respective Governments of the political dangers which we see ahead; from discussions on the floor of the Assembly, but more likely in the private meetings which we hold and in private discussions with our friends outside. Mr. Czernetz, when he spoke yesterday, said that the extension of the European Community is not a matter for philosophical discussion, there should be proposals for early action. That is what I personally have always looked to, both in Strasbourg and in my parliamentary work. We are discussing these matters

not with the European Community only; we have to consider the countries of Eastern Europe, Russia, Greece, Turkey, Spain (which is in association with Europe through OECD) and Portugal (which is in NATO) and Yugoslavia with a longer continuous history of European civilisation than Great Britain can claim. All these must one day come in as and when circumstances allow; but the immediate requirement is for the Six and EFTA to work together more closely in the economic field. Western European Union and NATO must work more closely together in defence, and that must always be in our mind. Both have overtones of political unity which is the aim of many of us here in this Assembly this afternoon. For both areas of co-operation, economic and defence, are not just designed for the benefit of those who live and work inside Europe and the North Atlantic Area. Everybody in this Council agrees that they are benefiting the whole free world for the defence of freedom and the supply of the developing countries.

We have to help our American allies, who in my opinion are carrying a disproportionate burden of policing against the spread of other dangers. Here are areas for immediate activity; first, realistic reorganisation of NATO; secondly, extension of EEC. Both have overtones, and one overtone—a major preoccupation of everybody in this Assembly for the last 20 years—is the re-unification of Germany, a problem not mentioned so far, but which can never be far from our minds.

I would congratulate my friend Anthony Kershaw on his speech yesterday. The only point on which I would disagree with an otherwise excellent presentation was, for reasons which I cannot give in this Assembly, because they might seem unduly controversial, that we can and must put our affairs in Great Britain straight quicker than some people think. I do not believe it is sufficiently understood that one reason why we are under pressure during the last two or three years has been overseas expenditure on defence East of Suez, which we believe has now passed its peak. The other point on which Mr. Kershaw touched was the presence of £4,000 million of short-term loans against £11,000 million of fixed assets. Bankers would criticise that as

a bad commercial operation. To be realistic we have to handle it—as I believe we can—as a united country. We must not allow this to stop the momentum, in Europe or with ourselves, working towards our association with EEC.

We must not allow Europe to fall further apart because of the relaxation of Soviet pressure which has been going on for two or three years. She has her troubles, with agriculture and with China, and perhaps one day when those are in hand if she finds that we in Europe are disunited she may be tempted to renew pressure, instead of continuing along the road of greater coexistence, which Russia in recent years has followed.

Nationalism is raising its head in an ugly form in various parts of Europe, including from time to time in Great Britain. I do not want to see these false ideals followed by too many people. One of the reasons why this happens was because we who have a responsibility of giving them positive aims in uniting more closely together have been unable to carry out our objectives. Two hundred years ago, China, the oldest of civilisations, started falling to pieces due to internal discord. It is only now reunited, with pain to the rest of the world. I hope that our grandchildren because of our failure will not have to live through a similar period of decline and regrowth in Europe in the future. Many practical proposals have been put to Ministers and Governments in the past one and a half years during which I have been coming as a delegate seeking early action through the Council of Europe, through the European Parliament and Western European Union Assembly. I have reason to believe that often these proposals have been welcomed by the officials who would have to implement them. But no one has yet found a way—as over Mr. Duncan Sandys' Resolution of January this year—to get Governments to take these proposals seriously for early action. We have had no way of enforcing the general European will which we can claim, when we wish to force that will on Governments to take action. This remains at present this Council's greatest shortcoming. It is one which is shared by all parliamentary assemblies who are always struggling against their executives; but by pertinacity and remaining united we can one day

achieve the objectives so many of which are set out in these two excellent reports. (*Applause.*)

The Chairman. — Thank you, Mr. Dodds-Parker.

I give the floor to Mr. de la Vallée Poussin.

Mr. de la Vallée Poussin (*F*). — Mr. Chairman, Ladies and Gentlemen, as I take the floor today I am haunted by the memory of an outstanding figure who often spoke here and was one of those most listened to during the early years of the Council of Europe, I mean Lord Layton, whose recent death we mourn.

Lord Layton began so many of his speeches by recalling his memories of the League of Nations and of the Economic Conference in 1926-1927, during which experts, economists and politicians all agreed, on the verge of the great world crisis, how much international measures for the liberation of trade were needed if the danger of a great crisis was to be averted. You are well aware that the economic crisis broke out in 1929, and in 1931 became an even severer monetary crisis.

And in every one of his statements Lord Layton told us: "Let us not begin with the same error and let us see the obstacles and difficulties in time."

Ladies and Gentlemen, although the situations are not truly comparable, in the Europe of today similarities and analogies do exist which are well worth watching. As at that time, the countries producing raw materials have for the past two or three years been encountering ever-increasing difficulties in exporting at reasonable prices, and their monetary situation is becoming disturbing and one likely to engender crisis. In the industrial countries economic tensions of all kinds are becoming more frequent and remind one of what happened at the time when successive large bankruptcies set the international crisis in motion.

The disordered state of the world money market also resembles that of 1929 and it will be well remembered how serious

the consequences became in 1931. We know that even countries which believed they were sheltered from all such disasters because they were both economically and financially sound, such as France or my country, Belgium, were even so carried away by the devastating flood in the long run.

Today, Ladies and Gentlemen, Europe is divided into two areas, a division which cannot last indefinitely. On the one hand, the Common Market cannot develop towards a great free trade area which would enlarge it. The idea is self-contradictory, and none of the six countries will have anything to do with it. But still, if the present division continues, this state of affairs is going to crystallise and, by their division, the Europeans are building up artificial and unhealthy structures which they will find as hard to get rid of as the structures of agricultural nationalism erected between 1930 and 1935, which aggravated the great crisis, whose traces took the Common Market so many years and so much trouble to erase.

The confrontation of two Europes will not be eliminated unless Great Britain enters the Common Market. I hope I may be excused for reverting to what has been the *leitmotiv* of my statements in this Assembly, but I believe that no one knows whether Great Britain has most need of Europe, or the Common Market, despite its success and prestige, has most need of Great Britain.

Without Great Britain, the Europe of the Six does not have the standing of a world Power; that must be stated and understood. Without the London Exchange, which alone in Europe has available large raw material markets and is the centre of large insurance concerns, with the handling of huge sums of money they entail, without the London Exchange and the well-stocked financial markets to be found there, without the sinews of management of a common currency, which is to be found only in London, you cannot call Europe truly a great world Power when confronting the United States.

Furthermore, without the pound sterling, Europe does not have throughout the world, on the five continents, the credit

institutions, management executives, contacts and trade relations without which a currency cannot be solidly accredited on the markets; and at this time Great Britain, an ancient trading firm which has remained sound and healthy, well managed and equipped with strong traditions—as Mr. Kershaw has reminded you—can no longer cope with the vast capital demands resulting from development. In this period of widespread monetary expansion and technical progress, in this period in which very heavy burdens are being placed on the industrial countries, the pound no longer has behind it the capital reserves necessary for it fully to play the part of a reserve currency, which it played, together with the dollar, between the two wars.

Only the close collaboration of Great Britain and the Six within the institutional framework of the Treaty of Rome can endow both of them with the means to overcome their difficulties, continue their progress and maintain, when confronted with the United States of America, a Europe which still holds the rating of a world Power.

And here I would beg you, Ladies and Gentlemen, not to heed the voice of the selfish and the timid. The blindness of selfishness leads one astray more often than generosity, because generosity implies a truer understanding of the real problems of others.

Among us, among the Six, some Europeans say: "Britain is in a state of crisis; if it joins us now, we shall have to help it and that will be a charge upon us; let it recover first and then join us".

People who talk like this are not only selfish, but self-deceivers. Great Britain is passing through a monetary crisis owing to lack of liquidities, but its position is basically sound, as Mr. Kershaw explained so well yesterday.

The union of Britain with the Common Market is the union of two enterprises, each of which lacks something, but strengthens the other, and a merger can only increase their joint power.

I am not completely in agreement on the timing. We do not have a great deal of time before us.

I am convinced that if we wait four years, the crisis will have begun and that it will perhaps be too late then to settle the problems facing us on favourable terms.

We should not linger for three or four years and wait for Great Britain to solve its monetary problems before beginning the negotiations on its entry into EEC. Quite the reverse. The mere prospect of Great Britain's entry into the Common Market would fortify the pound's credit, call a halt to certain forms of speculation and would undoubtedly help Britain to return to a sounder position without forcing it into this pause, this deflation, which is perhaps essential today to serve the English currency, but is not a good thing for the British economy and is, too, a bad thing for the European economy as a whole.

What is needed, therefore, is a parallel negotiation. In negotiating Great Britain's entry into the Common Market the Community should concern itself at the same time with the very important problem, which is one of its functions under the Rome Treaty itself, of the establishment of a common monetary regime for Europe.

Advantage must be taken of the present crisis of the gold exchange standard to prepare, together with the United Kingdom, the elements of a common monetary system for Europe, of a monetary system permitting currencies to subsist but co-ordinating their administration and, above all, funding their reserves in such a way that the European currencies may be able to obtain their share of the advantages enjoyed by the reserve currencies, the dollar and the pound, legitimate advantages if these currencies are strong enough to honour their commitments. And if today the French Government, in particular, challenges the gold exchange standard and, quite rightly, wishes to replace it by some other system, the best argument it can put forward is that neither the dollar nor the pound is really in a position

to fulfil the obligations deriving from the gold exchange standard.

I should therefore like, by way of conclusion, to launch an appeal to the Economic Committees of the two Assemblies. I should like them to undertake a study, each of them separately, at a purely technical and impartial level, of the probable results of Britain's entry into the Common Market and a co-ordination of monetary systems. The Committees can make a specific and realistic inventory, which has never yet been done, of the changes in the European economy which would be caused by this operation. That would enlighten us all, and if, as I am sure, the balance came out really favourable to both parties, I still do not see how any of the States of Europe could at this stage refuse its participation in this work on some political pretext or other and refuse to cross this threshhold, which is the last obstacle to the greater Europe we all desire.

In conclusion, in face of the looming dangers of an economic and monetary crisis, an appeal should be addressed to France and Britain to open discussions; all the countries of the Free Trade Area and of the Five should exert pressure in the same direction.

What better pressure could be exercised otherwise than by the study carried out in parallel by the two Committees? They should regard Europe and Great Britain as two enterprises, reckoning up the advantages likely to result from their merger. One of the enterprises is well-organised both technically and by way of pure rational development and it possesses capital, but it is not ready for world-wide expansion because it has not the contacts throughout the world required for such expansion.

The other possesses all the means for conquering the world market, for spreading its influence throughout the world, and in a manner beneficial to all. But it does not have behind it the reserves required for doing so.

By uniting, these two enterprises, which are in some ways diseased or maimed, will form a single large enterprise which will represent the power of both on a general multiplied scale.

In order to construct Europe, the most important and the most urgent step for the furtherance of the good work should be taken at all times. Today, this step is Britain's entry into the Common Market, and in its wake other States from the Free Trade Area. Let us not seek difficulties where there are none; do not let us imitate hunters searching for game at random. We know the game we want. We should concert all our efforts at the point where battles are won, where advances are definite and lasting. The cardinal question today is the enlargement of the Community through the entry into the Common Market of Great Britain and whatever other countries are ready to come in. I am convinced that, if it is well prepared, this new stage could be rapidly decisive and that it would avert the threats of economic and monetary crises which seem to be looming on the horizon and are of great concern to all of us. (*Applause.*)

The Chairman. — I call Mr. Margue.

Mr. Margue (*F*). — Mr. Chairman, Ladies and Gentlemen, my statement is based on paragraph 55 of Mr. Catroux's report, from which we learn that a debate took place in the European Parliament on 17th June 1965 on the harmonisation of the laws of the six Members of the Community.

The Treaty of Rome delegated certain competences to the organs of the Communities and in these matters a Community law must, of course, be worked out. This Community law is in great part established by the organs of the Community. But in certain fields the Treaty goes no further than calling for a harmonisation of national laws, to be brought about by means of agreements between the Governments and by decisions of the national Parliaments.

The question then seems to have arisen whether the work on the harmonisation of law within the six member countries of the Communities should not extend to the whole of the civil and criminal law. The political groups of the European Parliament disagreed on the matter.

When, as a member of the Consultative Assembly of the Council of Europe, I find that there is some thought within the European Parliament about the harmonisation of law even in spheres bearing no relation to the specific purpose of the Communities, I cannot but wonder whether the same mistake is not being made here as that deplored in the European Parliament's report, when it blames the Benelux countries for wishing to harmonise their laws among the three of them instead of doing so within the Community of the Six. There is some consolation in the thought that the work on harmonising law within Benelux has not so far been what the authors of the Benelux Treaty had in view.

In matters which are not within the specific competence of the Communities the method of co-operation among the six countries could only be to seek agreements between States. That is the normal method of work within the Council of Europe. And, if it is realised that a Committee on Legal Co-operation has been established within the Council of Europe and that a Conference of European Ministers of Justice is working in liaison with the Council of Europe and that it has already presented several reports here, if one looks at all the work done in the Committee of Experts of the Council of Europe, all the results which have already been achieved and those which we still hope to attain, it would still be preferable that those of our colleagues who have in mind the ideal of a harmonisation of laws should not extol what has been done in the matter within the framework of the Six. I am of course speaking of matters which fall outside the competence of the Communities.

One sometimes has the impression that in the six member countries of the Communities, all six of which are after all Members of the Council of Europe, the officials and parliamentarians most concerned with the work of the Communities do not have enough contacts with the officials and parliamentarians, usually different persons, who work within the Council of Europe. I do not believe that in such matters it is a good thing not to let your left hand know what your right hand is doing. The Ministers' Deputies whom the six countries send to the

Communities, on the one hand, and to the Council of Europe, on the other, sometimes give the impression that they do not know exactly what their opposite numbers are doing.

In this connection an idea has struck me; I do not know if it is feasible, but I should like to submit it to your consideration. The Consultative Assembly of the Council of Europe is vastly privileged to receive official records and reports from many international organisations, both European and broader. We receive periodical reports from OECD, the United Nations High Commissioner for Refugees, FAO and other bodies which maintain fairly close or fairly loose connections with the Council of Europe or even no connection at all, strictly speaking.

These reports are often followed by debates in our Assembly. Representatives of the bodies in question often present oral explanations. This collaboration reaches its highest point with the European Parliament. It not only supplies us with a report to which we reply but we hold these Joint Meetings at which we have a joint exchange of views.

I wonder whether it would not also be desirable for the Council of Europe or the Consultative Assembly to report to the European Parliament on the activities of the Council of Europe. I wonder whether it would not be interesting for our colleagues in the European Parliament to be kept abreast of the work carried on here.

Of course, the range of subjects with which we are concerned is a very broad one, and everything we do and say is not of equal interest, but since we are preparing to carry out a certain degree of rationalisation here as a result of the programme of intergovernmental work just prepared by the Committee of Ministers and the Secretary General, it seems to me that it should be possible to select the points of outstanding interest in our activities and to include them in a report to be submitted to the European Parliament. It would no doubt still be difficult to hold a debate, again because of the multiplicity of our interests, but we might perhaps single out certain subjects, as for example the harmonisation of laws.

It is true that the Joint Meeting is an institution which some people think is of rather problematic effects, usefulness and method. Nevertheless, I am in favour of it because it is the only occasion we have of holding joint debates in our capacities as members of the two Assemblies. I think I can also note some improvement in the atmosphere in this Joint Meeting this year as compared with previous meetings. In any case, a noteworthy increase in the number of statements by members of the European Parliament is to be observed in comparison with past years.

I know that there are problems, particularly about the proper date, holding it at the week-end and linking it with the sitting of one or other of the two Assemblies. I hope that we shall find the best ways to establish a good atmosphere and derive good results from our debates, but I wonder whether it would not be possible on this occasion to prepare a report—I am reverting to this idea—on the activities of the Council of Europe for submission to the members of the European Parliament. (*Applause.*)

The Chairman. — I call Mr. Silkin.

Mr. Silkin. — This debate, to which there have been so many notable contributions, has disclosed, I believe, a virtually universal belief that the future of Europe must lie in unity and a widespread hope—and, indeed, in many cases a passionate desire—that that unity should be achieved as rapidly as possible. Valuable, however, as such a debate may be in expressing opinions of that kind, it will be of no long-term and inherent value if it does no more than give an opportunity for eloquent support for ideals and if it does not make some realistic contribution to the question of how that unity is to be achieved.

That contribution can be made in one of two ways. It can be made by the creation of a psychological climate in favour of unity, and no doubt such a debate as this will have been able to achieve at least that. But, much more important, such a debate as this can make a concrete contribution towards the

realisation of these ideals if it provides practical and down-to-earth solutions of the problems of arriving at that unity.

Therefore, it seems to me necessary and important, having listened to the unanimity of opinion, to ask oneself what really are the obstacles to advancing towards that unity and to see whether these obstacles can, in some measure, be removed. If we do not do that, we may be tempted to accept solutions which cannot be other than second best and which, in themselves, may drive the possibilities of unity even further away.

I agree with the graphic phrase of my colleague, Mr. Heffer, that it is better to build bridges than to blow them up, because if you have a bridge you can walk from one side to the other. But if, having built your bridge, you then establish customs points on either side and require passports to be displayed and visas to be obtained, then the value of the bridge is that much diminished, and, indeed, the time may come when the very difficulty of moving from one side of the bridge to the other may make the chasm seem even wider than before the bridge was built. Therefore, however valuable these bridges may be, I believe that in the long run the only final solution must be the unity we all appear to desire.

What are the obstacles? You have heard the views expressed by members of the British delegation from all sides. I hope that no one is in any doubt now of the intense desire of the majority of my fellow-countrymen, particularly those in Parliament, to join the Community as soon as possible on acceptable terms.

Speaking as a backbencher who has much to do with consideration of this question in Parliament, I lend my support to the views expressed by my colleagues that these are the views of the majority of backbenchers of all parties in Parliament today. These views have been powerfully reinforced by the weighty authority of two former Ministers of my country—Mr. Patrick Gordon Walker, a former Foreign Secretary who spoke on behalf of those who support the Government, and Mr. Duncan Sandys,

a man who has held high office in the past, and whom some in Britain even today speak of as the "shadow Leader of the Opposition", and who certainly can and did speak with great authority in a notable contribution.

So it is not my country which is the obstacle. Are the obstacles then in the practical problems that have to be solved? Much has been said about them, but I do not believe that the practical problems are other than transitional problems which can be solved easily, given good will and adequate time. Matters which some years ago seemed to be more important are less important today.

Is the current weakness of my country's economic position a real obstacle? Mr. Kershaw, in his very carefully reasoned and admirable report, reached a conclusion which I regard as unnecessarily pessimistic in supposing that it will take as long as three or four years to reach a solution to that economic problem, but I think that he is in principle even more pessimistic in believing that these economic problems are today any real barrier to my country joining the Community as rapidly as possible. It is certainly no obstacle to my country applying to join; is it an obstacle to our being received by the other countries concerned, by the Six? Well, we have seen our friends in the Six support us in times of health as well as in times of sickness, and we have seen them, indeed, support their own Members in such times. Is there any reason to suppose that they would take a different view today? Certainly not from the tone of the debate which we have heard.

I think, however, that it is important in this context to look a little wider, to look, indeed, at the second part of the subject which we are considering today, Europe's political and economic responsibilities in the world, and to remember, as Mr. Kershaw brings out very clearly in his written report, that a great deal of the balance-of-payments difficulty to which my country is subject results from its assumption of, or continuation of, commitments in the world as a whole. These indeed, although we have assumed them, are the commitments of a

Europe which is looking outward, in addition to those of my own country. It is interesting to note that the very figure of £200 to £250 million, which might be the balance-of-payments problem resulting to my country from the agricultural changes involved in joining the Community, is more or less equivalent to the size of our relevant military expenditure in the world as a whole.

I listened with interest to Mr. Czernetz. I thought he somewhat exaggerated the problems, I agree with my colleague Mr. Heffer that one of the best ways of making an honest citizen of an outlaw is to suspend the sentence of outlawry, and I hope that we shall do that with regard to China; but I cannot go so far as he does in thinking that there is no problem at all. There is a great problem of security in the Far East and throughout the world, and to the extent that the burden of that problem is being borne by my country, it is being borne not only on behalf of my country but on behalf of an outward-looking Europe as well. If we think for one moment of the alternative to abandoning that commitment, we shall see that the alternative is to hand that commitment over from a nation of Europe to the United States of America, and that, I believe, is no way to move towards our ideal of a United Europe assuming its responsibilities in the world as a whole. When, therefore, the countries of the Six look at our balance-of-payments problems, I hope that they will look at them with sympathy, in the knowledge that to a substantial degree at any rate they are the result of our refusing to abandon commitments which we undertook on behalf of the nations of the Six as well as the other nations of Europe.

If, then, those are not the obstacles—and I certainly do not believe that they are—what are the obstacles? I think that they are largely psychological, a certain atmosphere of suspicion, of lack of knowledge, lack of certainty on our part as to whether the nations of the Six really want us in and on the part of the Six as to whether we really want to go in. That uncertainty will remain, whatever the unanimous opinion of members of this Assembly may be. It is for that reason, looking for concrete proposals, that I for one welcome very strongly the speech which

we heard this morning from Mr. Rey, in which he suggested that the problem might well be tackled in two stages: a stage of preparations, which at present are going on in my country but before long may become bilateral or multilateral, and, after that stage has been completed, a stage of actual negotiations.

I hope that the invitation which EFTA has given to EEC will be accepted before long in the spirit of that time-table and those proposals, but I think that it is necessary to go even further than that and to go through a stage which, judging by the speeches which have been made in this Assembly, if they represent the views of the Governments concerned, ought to be and can be achieved.

I believe that the time has come when the nations of the Six and the nations of EFTA, individually and communally, should make a declaration of intent, should sign a declaration saying "We intend between us to create a United Europe, which we shall all be in together ." Let that come either immediately or within the stage of these preliminary negotiations, it matters not; but let it come. I have little doubt that my country would be willing to support and to subscribe to and to sign such a declaration of intent; but, as Mr. Gordon Walker said, we do not know whether the doubts are on this or on the other side of the Channel. We do not know where those doubts really are; but the signature by all the nations concerned of a declaration of their intention to create and form part of a United Europe, based on the principles of the Treaty of Rome, signed by all those in EFTA and EEC, and it may be by others, nothing could do more than that to remove the doubts and the uncertainties and to ensure a positive movement in the direction of negotiations which will ultimately, I am certain, be fruitful. If, therefore, I can do no more in this contribution to the debate, I would beg the Ministers concerned to take account of that suggestion, to secure the support for it of their Governments, and then to translate it into action which will show that the doubts and the uncertainties have for ever been removed. (*Applause.*)

The Chairman. — Thank you, Mr. Silkin. Before I call the next speaker, it may help the members of this Joint Meeting if

I explain two points. First, I have two more speakers on my list, and I shall then ask the Rapporteurs whether they wish to reply. Secondly, I have to announce that a quarter of an hour after the end of this meeting there will be a meeting of the Bureau of the Consultative Assembly in Room B. 402.

I now call Mr. Feyzioglu.

Mr. Feyzioglu (*F*). — Mr. Chairman, I should like to express my complete agreement with all that was said by the Rapporteur of the Consultative Assembly, Mr. Czernetz, concerning Europe's responsibility for making a contribution towards solving the conflict in Vietnam.

In spite of the increased possibilities of an agreement between the United States and the Soviet Union, partly because the destructive forces of these two nations are now evenly balanced and partly because of the ever more obvious need to stop Chinese aggression or expansion, it is clear that the war in Vietnam is an obstacle to the more positive and rapid development of the relations between these two super-Powers.

Confronted with recent Chinese accusations that "the Soviet Union has become the champion of capitalism and imperialism within the Socialist camp", recent Soviet publications endeavour to prove that, on the contrary, it is Pekin which is about to make concessions to Washington.

Soviet reaction to the recent speech by Mr. Goldberg, the Permanent Representative of the United States at the United Nations, seems to show that the Soviet Union is reluctant to accept the American proposals for fear of leaving itself open to the strictures of Chinese propaganda.

Having regard to the conditions in which this ideological and propaganda war is being conducted between the two great Communist countries, the Soviet Union and China, one thing seems obvious to me: as long as the war in Vietnam continues, it will not be possible for the Soviet Union to make any cour-

ageous moves towards a more solid and lasting reconciliation with the West. Consequently, the idea put forward by our Rapporteur of a general conference of all those concerned with a view to ending the war, is very comforting to those who rightly fear the possible spread of the Vietnam conflict and also to those who sincerely wish to see a genuine reconciliation between Eastern and Western Europe.

I should like to pay particular attention to one aspect of this reconciliation, that concerning relations with the developing countries.

One of the positive forms of co-operation between Eastern and Western Europe is, indeed, assistance with economic development. Is it necessary to repeat, Mr. Chairman, that the growing poverty of certain countries and the "prosperous provincialism" of industrialised countries constitute the gravest long-term danger to the future of Europe and of world peace, a danger to which U Thant, the Secretary General of the United Nations, referred during his last visit to Strasbourg?

Is it not probable, bearing in mind the fears aroused by China's influence in Asia and the uncommitted countries in general, that the Soviet Union might become interested in the possibilities of closer co-operation with the West in the provision of economic assistance for developing countries?

I agree with those who feel that this is one of the fields where the easing of tension could take the form of an agreement which would be in the interests of all concerned, including the developing countries.

Having stressed in a few words the gravity of the division of the world into rich and poor countries, and spoken of the possibility of East-West co-operation in the field of development assistance, I shall conclude my remarks, Mr. Chairman, with a few brief thoughts concerning the scientific and technological aspect of development.

In this Assembly we have often heard brilliant speeches on the scientific gap between the United States and the Soviet Union, on the one hand, and the countries of Western Europe on the other, but this gap seems almost negligible by comparison with the gulf separating these three regions from the rest of the world.

The United States, the Soviet Union and the five Western European countries which are scientifically the most advanced employ more than four-fifths of all the scientists in the world. Yet these countries of Western Europe, together with the Soviet Union and the United States, have less than one-fifth of the total world population.

Consequently, there are two essentially different problems. Naturally, the countries of Western Europe must bridge or at least reduce the considerable gap which separates Europe from the two scientific super-Powers, and they must do so by ever increasing co-operation. The future harmony of the relations between Europe and the two giants will depend above all on the success of this European co-operation in science and technology, but it must not be forgotten that for those countries in Europe which are thinly populated and, above all, for those which are economically less developed, the gap and the problem are much more serious.

No material assistance can ensure the economic development of under-developed countries if these countries do not succeed in making rapid progress in intellectual and technical training, in the field of technological knowledge and in scientific research. It is not possible simply to imitate the techniques used in developed countries; even the choice of the best technology to be adopted in a given field, even the acquisition of already existing techniques from other countries call for the awakening in the developing country of a certain degree of scientific consciousness, which can result only from a national effort in scientific research.

Yet, any research project must be of a reasonable standard if it is to have some chance of success. Research groups, scien-

tific staff must reach a "critical stage", a phase of development which makes cross-fertilisation between men and sciences possible. The less densely populated European countries are far from having reached this minimum standard, and hence, in their case, international co-operation is even more essential.

This leads me to suggest that any effort towards European co-operation in technology and science, whether made within OECD or, as our Rapporteur, Mr. Reverdin, has suggested, through the EEC Working Party, should take into account the needs of the less favoured countries of Europe and not leave them out of the picture. Scientific co-operation between European countries should take the form of determining how the most advanced countries in Europe can best use their technical know-how as a contribution to the scientific and economic development of their weaker brethren.

I believe, Mr. Chairman, that the endeavour to secure such co-operation is one of Europe's responsibilities, both to herself and to the rest of the world. (*Applause.*)

The Chairman. — Thank you, Mr. Feyzioglu.

I now call Mr. Moeller.

Mr. Moeller. — In his excellent speech yesterday, Mr. Kershaw explained to us the current British difficulties. Even though Mr. Gordon Walker in his no less excellent speech was more optimistic, many of us nevertheless got the impression that the crisis in sterling would stultify any further steps towards European unity. When we arrived at this meeting from our countries, we all considered it as a matter of fact that this was so; but why? If this is a condition imposed on Britain, as Mr. Gordon Walker declared, by France and others, it is very regrettable and unwise, but Mr. Rey's speech on behalf of the Commission this morning did not support this view that it is the demand of the Six that Britain has to solve its sterling crisis. If it is not the demand of France or other countries on the conti-

nent but the opinion of the British Government, we must accept it as a fact, but a very bad fact.

In my view as in that of other colleagues of the Joint Assembly, it is a little difficult to understand. Through the Community of Europe the trade figures will be improved. The exports of Britain will get new possibilities and the ability to compete will be increased. In my opinion that is exactly what Britain needs. We cannot believe that a currency crisis can be solved by restrictions. That is the experience of many countries. Therefore I would say that you cannot solve your difficulties outside EEC. Britain has much better chances inside EEC. All of us know, of course, that the Rome Treaty includes special paragraphs concerning currency difficulties and that there will be a period of negotiation and a period of transition. Therefore, I do not understand the explanations we got yesterday.

Two years ago, the British Government adopted a surcharge on imports to protect British industry. This involved both international troubles and, in many countries, loss of confidence in EFTA. But did it help Britain? Did it solve the British currency troubles? No. Britain has those troubles today, and they are not less but bigger. Some will perhaps answer that the surcharge helped over a period, but that prices, wages and all other incomes rose. I understand that viewpoint, but I do not believe that it is right. The situation is precisely what all of us knew would happen. One can read it in every textbook of economics used by students.

No doubt, in a period of full employment, every form of protection will have a tendency towards higher wages, salaries and prices and that protection will normally be used to postpone modernisation. I know that for a very short period it helps, but then the trends I have mentioned materialise and one finds that one has only managed to make the problems worse because one has increased one's home-made inflation.

My conclusion is that one can only fight inflation by increasing production, and the only chance to improve one's ability

to compete is to force one's people into a state of more and harder competition.

You, Sir, and your distinguished British colleagues may well ask why I discuss British policy since it is not my business. But I discuss it because the British troubles in this debate as everywhere else in Europe are considered and claimed as the cause of the exclusion of Great Britain and all other EFTA countries from taking steps towards membership of the Community. On that account, Britain's problems are ours and we are obliged to study them again and again.

I hope that the British Government will now succeed in their new policy, but I am not convinced, and I have mentioned why. I therefore feel it my duty on this occasion to say to British politicians: "Do not be sure that the EFTA countries always will be in your convoy. If the ship which has taken the lead as the biggest and strongest does not move forward to the common harbour, the captains of the smaller ships must consider whether it is better to go on alone in spite of the risks this entails."

In Denmark, many people, both in Government and opposition, now prefer to examine the possibilities of a joint Nordic intiative. This is not mere romanticism. It might prove more realistic to us than permanently depositing our policy in Whitehall. (*Applause.*)

The Chairman. — Thank you, Mr. Moeller. I would like to make a comment on your apologies for discussing the internal affairs of another country. I think that we are all here as Europeans and that it is our duty to discuss the internal affairs of another country if we think that it is relevant to our problems.

I now call Mr. Catroux to reply.

Mr. Catroux, *Rapporteur of the European Parliament* (*F*). — Mr. Chairman, Ladies and Gentlemen, now that these two days have passed, and having heard the most eminent

members of our two Assemblies, I have been given the honourable but formidable task of attempting to draw conclusions from our work.

I should first like to make a general observation. For the first time, perhaps, in the annual meetings of our two Assemblies —meetings which are not "institutionalised"—it was possible to discern something in the nature of a community of ideas when the four reports presented to us were being studied. The speakers did not depart from the themes provided by the Rapporteurs, and this was so general and successful that we heard, not a series of monologues, but a very useful dialogue between the members of the European Community and those of the Consultative Assembly of the Council of Europe. And this should be stressed, for it is only right to make it known that a certain community of ideas has grown up between the greater Europe, which you, Gentlemen, represent, and our little Europe.

For the first time we have not all been trying to teach one another what was meant by the European idea. On the contrary, we looked for practical and useful ways of promoting that European unity which all of us are so deeply anxious to achieve.

I should like to say to our British colleagues who spoke so brilliantly in explaining their points of view, whether members of the Labour or of the Conservative Party, that we, the representatives of the Six, listened to them without any preconceived ideas.

Certain members, MM. Kershaw and Duncan Sandys among them, asked whether Great Britain had any friends in the European Economic Community. Let them be re-assured: not only were there outstanding speeches in their favour by our Belgian or Dutch colleagues and also by Mr. Furler, but it should further be added that even those who did not speak are favourable to Great Britain's approach to the Common Market.

We are happy to find that the party in power and the Conservative Party are united in the desire for a new approach to the Common Market.

In my report, adopted unanimously by the Committee of Chairmen and our Plenary Assembly, I honestly and objectively endeavoured to define the general conditions for possible new negotiations between the Members of EFTA, in particular Great Britain, and ourselves. It was not by chance that the Socialist Group of the European Parliament, the Liberal Group and our Group all agreed that we should suggest to our colleagues in the Consultative Assembly the attitude that ought to be adopted towards this great problem which concerns us all.

In his excellent report, Mr. Kershaw expounded Britain's present situation whith great intellectual honesty. He stressed the difficulties which confronted his country because of the balance-of-payments deficit. I would say to Mr. Kershaw and to our British colleagues that admittedly this problem does affect future negotiations and has a direct and far-reaching influence on them, but the position of the pound as a reserve currency is not only a problem peculiar to EFTA and to the European Community, it is also a world problem.

May I be allowed as a Frenchman to express the confidence we feel that the British people have the virtues and the courage to solve the problems with which they are faced.

As the General Rapporteur of the European Parliament, I can also assure Mr. Kershaw that he will find neither in the Council of Ministers, nor in the Executive Commissions of the three Communities, nor in our Parliament any reservations or opinions unfavourable to Great Britain's approach to the Six.

Things have changed since 1962-1963, when negotiations broke down. As Mr. Gordon Walker reminded us yesterday in his excellent speech, which both surprised and reassured us, the Labour Party was not in power at the time. It was a minority party and was about to become a majority party, but either it was opposed to Great Britain's membership of the Common Market, or it put forward conditions which were unacceptable to the other European countries. Today, Labour has come to share the opinions of the Conservative Party. Today, too, our

Community has made progress. EEC no longer concerns only industry, but also agriculture, so that in the negotiations which may shortly open between Great Britain and ourselves, the agricultural problem will no longer cause concern in France or the other States of the Community.

Ladies and Gentlemen, I hope that in the spirit of the General Report, which gives an objective picture of our Parliament's attitude towards these negotiations, our British colleagues will see that we, like they, wish to rediscover the road to a European unity whereby our nations, which have given the world a civilisation second to none, could find again that moral independence, that independence both in defence and in diplomacy which must be theirs and which must ensure that our children's future in Europe will be secure, so that we can once again become masters of our own destiny. We are all fully aware that we can achieve this only if we are united.

By way of reply to the excellent speech by Mr. Feyzioglu, the Turkish delegate, I should point out that the Common Market countries fully understand the problems to which he referred. In ten years the gap between the United States of America, the countries of Western Europe and the uncommitted countries has grown dangerously wider, despite all the economic assistance, bilateral agreements and other efforts made by our nations. During this period, the gross national product of the United States has risen from 1,500 to 3,000 dollars *per capita*, whilst that of our countries has risen from 1,000 to 1,600 dollars *per capita* and the gross national product of the uncommitted countries from 80 to 120 dollars *per capita* only.

But we are all conscious of the responsibilities which arise out of this situation for the United States, the countries of Western Europe and the Governments of the uncommitted countries. Indeed, such a situation could not continue for long without the risk of a third world conflict of exceptional gravity.

Thus, in order to face up to the situation in the uncommitted countries we shall have to unite, all Europe will have

to co-operate, the countries of the Common Market and also those of EFTA. During the past twenty years the minimum standard required before the countries of the Third World could develop an industrial civilisation has risen startlingly higher and has receded ever further beyond their reach. The techniques of basic science, applied science, technology, automation are beyond their grasp. We shall have to combine to find a way of providing these peoples with the assurance of a destiny worthy of free men. But it is also only right that we should ask them to guarantee political and economic stability and to respect contracts which bind us together so that the help we give them is not frittered away.

Finally, I should like to thank those who spoke on scientific problems and above all the brilliant Rapporteur of the Cultural Committee of the Consultative Assembly of the Council of Europe, Mr. Reverdin.

Mr. Reverdin said that of course we realise how necessary it is for a united Europe to work out a common foreign policy and a common defence policy. But should this prevent us, he asked, from offering the hand of friendship to men and laboratories in small neutral countries or in little countries which cannot afford the extremely high costs of modern scientific research?

I would say to Mr. Reverdin that Europe, in its universities, its laboratories, in the links which unite its administrations and its industries, is still too poor to refuse help of any kind from anyone, and that we must work as a team to find solutions which will enable all countries to collaborate and to keep up a scientific dialogue with the United States or the Soviet Union.

If we Europeans did not do this, if we allowed our industries to fall further and further behind, in ten years we should no longer be masters of our fate. Within ten years whole industries may cease to be competitive, if they do not consent to make the necessary technological effort, since it will be impossible for them to find a market for their products abroad.

Thus it is absolutely essential that we should work together to find the solutions so that basic research, applied research and automation can develop throughout Europe in an atmosphere of understanding and unity which will avoid overlapping and allow all Europe to keep up that dialogue with the two world Powers without which we should have no future. Indeed, today, the great battle of Europe under the atomic threat is no longer being fought with arms but by gaining more and more access to science and progress which are shaping the future of our industries and our trade.

Such, then, Mr. Chairman, are the lesson and the hope that I find in the discussions of the past two days.

What may the European Parliament expect from this Session, from all that has been said and done here? We still have to contend with the egoism of States, with the slow pace of negotiations, with prejudices that lead to mutual recriminations of clinging to outworn ideas, with the bitterness and regrets following in the wake of recent events. Yet despite all these things, we hope that from this meeting will emerge that great promise of European unity which will reconcile six thousand years of history, from the time when a Greek shepherd stood on the golden slopes of Hymettus and endeavoured, in a long monologue, to define what the human spirit ought to be.

Forgive me this unusual display of emotion before our Assemblies, ordinarily so rational and forthright—but I should like to say on behalf of the European Parliament that my colleagues and myself have faith—despite all the difficulties—in European unity. (*Applause.*)

The Chairman. — Members of the Assemblies will remember that the report of the Consultative Assembly was in three parts, Part 2 by Mr. Kershaw and Part 3 by Mr. Reverdin. Before I call on Mr. Czernetz, the Rapporteur of the Consultative Assembly, I will ask Mr. Kershaw and Mr. Reverdin to make a few points which concern their sections of the report.

Mr. Kershaw. — I would first express my admiration for the moving speech which we have just heard from Mr. Catroux, which reminded us of the great design for the unity of Europe in which we are all engaged. I wish to thank him in particular for the sympathetic references which he has made to my country.

During the five years or so when I have been a member of the Consultative Assembly, I have, I believe, often enough given proof in my speeches of my support for the entry of Great Britain into the Common Market. If, therefore, on this occasion I have thought it right to call attention to some of the difficulties which confront us, I do not feel that I have any apology to make. I believe it is right that if we are to make progress we must concern ourselves in these Assemblies with the difficulties which stand in the way of the realisation of what I believe is the dream of us all.

Let me turn to one or two points of detail. It has been said that the present financial difficulties of my country are no bar to our immediate adherence to the Treaty of Rome. Indeed, it has been maintained that, on the contrary, they afford a positive reason why we should quickly sign the Treaty. Much though I should like to agree with that optimistic view, I am afraid I cannot agree that the balance-of-payments problem is not a hindrance at the present time, and what the Rapporteur of the European Parliament has just said confirms me in that opinion.

Let us look at the facts. Thirteen and a half milliards of pounds of short-term debts is the present burden which the United Kingdom is carrying. On the other hand, Article 67 of the Treaty of Rome allows free movement of capital between the participating countries, and this ordinance is likely shortly to come into force. The practical result would be that this load of debt would be distributed equally over the partners in the Treaty of Rome. How can it be maintained that this is of no importance? Do the other countries which would be invited to shoulder this burden not object? Of course they do. To suggest that it is a matter of complete unimportance is not to look facts

in the face. Apart from that, we have the declaration of the leaders of our Government. There was a declaration made solemnly on behalf of the British Government only last June to the Council of WEU that we consider that it would be necessary for us to put our own house in order before we would apply.

I have no reason to suppose that that policy of the British Government so precisely enunciated at a solemn meeting with our allies has in any way changed. We must regard that as a fact.

Then we had the remarks which Chancellor Erhardt made on 1st September on his visit to Norway to the effect that the present position of the United Kingdom was not a good *point de départ*, for Great Britain joining the Common Market. We must regard that as a fact, and I am sorry to drag it out to the view of delegates who do not wish to look at it.

I say that the balance-of-payments problem is a hindrance. I have been criticised in speeches for saying that the time scale for the balance-of-payments problem to be dealt with is much too long and that perhaps we could settle the balance-of-payments problem in a few months. I believe it is possible for the United Kingdom to make the figures look very much better within quite a short time. If as an individual one has a certain income coming in and is content to sell a large part of one's furniture and clothes, not to eat very much and not to spend anything at all on pleasures, one can still pay the bank manager back, but at the end of the year when one has paid him back one desires once again to buy furniture, a bed to sleep on, to renew clothes, and then one's expenses start again.

We can easily make the figures look right, but it is in the years after we have made the figures look right that the difficulty comes. As our friend from Denmark said, the cutback is the start of the operation. After that we have to start up again. Of course it is the supposition of those regarding us in this matter that only when the bare figures are corrected will the task begin. I am not speaking as a party man. There have been occasions

in the past also when my party was in Government when the temptation for the Government to reflate before it was proper to do so has not been entirely resisted. There again these matters are in the minds of those who are regarding us, and it would not be honest to say that the matter can be dealt with in a few months.

I hope I did not say—I did not mean to say—that nothing can be done until the balance of payments is completely all right and there are no financial or other difficulties at all. Of course matters could start if it were seen that the balance-of-payments problem was being dealt with faithfully, as I have no doubt it will be. The start of meaningful negotiations might well be the signal for decisive improvements in the balance-of-payments problem. What I meant to say, and what I think I did say, was that no one here this afternoon can count on the United Kingdom being in the Common Market, however soon matters start, for three or four years.

Mr. Rey, speaking from the rostrum this morning, reinforced me in that opinion. He said that exploratory talks would take one year and negotiations would take one year. That is two. Ratification would take one year. That is three. Then he went on to say that of course nothing could be done until the Kennedy Round is completed because everyone would be too busy. That is four. If Mr. Rey, who knows so much more about it than I do, thinks that four years is the minimum, I think I can be excused for mentioning three or four years in my speech.

May I mention a much more difficult subject. I hope I shall give no offence to anyone by doing so, but perhaps that is a dangerous thing to say. Of those who have spoken in favour of an immediate joining of the United Kingdom to the Six, none has said anything about the President of France. He exists; he is a fact. Do they think he has changed? If they do, we should like to hear it. I do not know how they could find out. If not, how do they propose that we should go ahead? Do they propose that we should start again now?

I am certain we shall never get a united Europe without the idealism which has been so well expressed this afternoon and on other occasions in our assemblies, but those who are the greatest idealists are sometimes also the best practical politicians. As practical politicians we are entitled to ask them to deal with situations as they are and not only as they would like them to be. For my part, I feel that from a technical point of view it would be safer and better to do what also was suggested by Mr. Rey this morning, to await approach from the Six. If they are ready and if they think the matter is ripe, no one would welcome it more than I, but I feel that a precipitate approach risking another failure under the circumstances I have described cannot really advance our cause.

Mr. Catroux called attention to the technological aspects, but I must not steal too much ground from Mr. Reverdin, who is to follow me. I believe we are right to call attention, all of us in whatever sphere we operate, to the extreme danger if division is long continued in Europe of parts of Europe falling almost completely under the dominance of the United States. I feel no aggressiveness, no enmity at all towards that great country—indeed, I am half American myself. I am quite certain that we must have a fruitful partnership with her, but I share the anxieties of those who feel that we ought to be able to run our own European affairs perhaps better ourselves. I am certain that if we do not realise how great is this danger, if we think that any of us alone or even together in a fragmented Europe are going to catch up the United States, that is quite untrue. The longer we go on divided the greater will be the danger and the more certain it will be that we shall have an Atlantic organisation dominated by the United States and not a united Europe as the twin pillars of freedom in this world.

I am certain that a united Europe is what we all want, and also that the enthusiasm which we have heard here today and on other occasions is essential before we can get it. I accept the reproach of being pessimistic, but I should like to call it realistic. I accept that it is a disappointment that difficulties exist. Of course, it is a disappointment, but I believe that these

difficulties are there for the solving and that if we approach them in the spirit of idealism so well expressed—they will not disappear, but—we shall be able to solve them. If we deny their existence and say that it is not right to call attention to them, I am afraid that our movement will not prosper. (*Applause.*)

The Chairman. — Thank you, Mr. Kershaw.

I call Mr. Reverdin.

Mr. Reverdin (*F*). — Mr. Chairman, the symmetry and order of our discussions make it necessary for me to say a few words at this juncture.

I should first like to say how happy I am at the climate which has constantly presided over this gathering. We have just been deeply moved by the words of the spokesman of the European Parliament. We shared his emotion, which was real and sincere, and rang true.

After the victory of the Common Market over itself in July, I am convinced that new prospects are opening up before us which justify the terms "hope" and "great promise" used by Mr. Catroux.

We have carried on our discussions in an atmosphere of mutual good will which has been considerably helped by the tone of some of the reports and speeches. I should particularly like to say how much I appreciated the extraordinary honesty of Mr. Kershaw's report. Indeed, we must not blind ourselves to the fact that all of yesterday's difficulties, caused by situations or by persons, are still with us, and our discussions have not removed a single one of them. But we are certainly prepared to tackle them today in a far more positive frame of mind than in the past.

It was natural that in this discussion the main stress should have been placed on the urgent problem of Great Britain's membership of the Common Market. It seems to be unani-

mously agreed that the road towards a united Europe passes through an enlarged Common Market, and the first step in this direction can only be Great Britain's entry into this institution. You will, perhaps, think it strange that a Swiss citizen should speak in this way. But I have been convinced of this for a long while, and I am more convinced today than ever before.

This has been the main topic of discussion and the question of technological and scientific progress has tended to receive rather less attention, but it is no less topical and no less essential.

The danger, the only danger which threatens us at present on a road which will be long, is that of the accomplished fact. As far as technological and scientific problems are concerned, if decisions were taken within the framework of EEC which presented the other European countries with accomplished facts, this would mean the postponement of the time when other countries could contribute to the common effort that will enable Europe to achieve, within a definite time, if not parity, then at least a level which would make it possible to negotiate as an equal; the result would be added complications and further delays.

As for science and technology, the speeches made this morning by Mr. Feyzioglu and Mr. Armengaud, who had much to say about the industrial aspects, particularly combines, which are necessary if we are to achieve the parity of which I spoke, seem very important to me and must be taken into consideration.

This morning Mr. Rey spoke of time-tables. In science and technology it is also necessary to plan ahead in stages. Beating about the bush would be just as dangerous as undue haste which would probably lead to accidents.

By starting in a very realistic way from what already exists, by deriving profit from Europe's heritage and potential, we shall have a reasonable chance of achieving more rapidly the success we are all so anxious to see.

I shall conclude by saying that, as the Rapporteur of the Cultural and Scientific Committee of the Council of Europe, I am deeply gratified by the way in which we have discussed our main problems during the past two days, particularly those concerning science and technology. (*Applause.*)

The Chairman. — Thank you.

I now call on Mr. Czernetz.

Mr. Czernetz, *Rapporteur of the Consultative Assembly* (*G*). — Mr. Chairman, I must first of all dispel what I think is a misunderstanding connected with a side issue in the debate. Mr. Heffer today and just now Mr. Silkin gave their views on the question of China. Mr. Heffer misunderstood me, I believe, when speaking to the question. He argued very strongly and resolutely in favour of China's admission to the United Nations. I never brought up the subject. I have no hesitation in saying that I, too, am personally of the opinion that China, that is, Communist China, should be admitted to the United Nations. After all, it would not be the sole and the first dictatorship nor the sole and first aggressor to be in the United Nations. If the United Nations is to be a universal organisation, some countries cannot be admitted simply as good-hearted Members and others refused admission.

I should perhaps take this opportunity of saying that someone from a non-NATO country, from neutral Austria, former Austrian Foreign Minister Kreisky, stated clearly last year before the United Nations in New York that if the People's Republic of China is prepared to enter the United Nations without insisting on conditions such as a condemnation of the United States and such like, then Austria is in favour. But Mr. Kreisky added that Austria will abstain if the United States are against it, because we do not wish to annoy our American friends. I suppose that the attitude of Dr. Toncic, the present Austrian Foreign Minister, would be similar.

So I did not mention this question of China's membership of the United Nations when I tried to give an analysis of the world political forces of today.

And now, Mr. Chairman, let us come to the decisive questions. I should like to express my personal appreciation of the debate and to express particular thanks for the—how shall I put it?—mild and friendly treatment accorded to me personally. The debate was conducted truly in a spirit of friendly understanding between the two Houses which sat here together.

But now I must say a couple of words, and I rather hesitate to do so because I have a bad conscience. In such a summing up and final conclusion one most certainly ought to be friendly and non-controversial. We have listened to so many large, fine, optimistic words that I am rather worried in saying that I was not moved to a similar optimism. But we now have just heard especially the moving speech by Mr. Catroux, the Rapporteur of the European Parliament. It was a fine speech, and yet I must say that all the speakers, every one of them, were unanimous in recognising that it is necessary to enlarge the European Economic Community by the entry of Great Britain and others or the association of other EFTA countries. Indeed, all the speakers were of one mind about that.

And I should add that there was fairly widespread agreement with regard to the calendar. Mr. Kershaw has just spoken about it. But everyone was unanimous that it is not possible in the next two or three years. Mr. Kershaw has now quoted Mr. Rey himself and said that it would be a similar time-limit of three or four years in the best of circumstances. Mr. Catroux gave his opinion that we are unanimous about the necessity, if negotiations with Britain can start tomorrow. But can they start? Can they actually start? There is the question. We are unanimous and we get no further. That is the problem confronting us, Mr. Chairman.

If, after these two days of debate, I have to acknowledge that we are unanimous and yet are getting no further, then I ask: is not Mr. Weber right in drawing attention to the fact that the continuance of the two trading groups for a further two, three or four years will subject the flows of trade to distortions of which the first rumblings can now be heard, and lead to bad

investments by European firms and American firms in both the economic areas? That is, as it were, the Austrian contribution to our contemporary economy of waste. And if a recession were to set in, this trend could only be aggravated.

On another point, too, there is almost unanimity. My suggestion of building a bridge was rejected by almost all speakers. It is no substitute for an enlargement of EEC and it is, as I too agree, only a second best or third best solution. But is it preferable to have no solution at all rather than a second or third best? Here, too, we find virtual unanimity in this Assembly. So we are all to agree to do nothing. No one has said it clearly—at least here; but it means that we are to live with the simultaneous existence of two centrifugal trading groups. One of our friends said to me privately: "It is still better than to have thirteen national economic units." Splendid! But let us say clearly, Mr. Chairman, that we now have to live with it. I should therefore like to raise the question whether it is right for us to go on talking this harsh reality out of existence in well-meant, fine, optimistic words. Ought we to do so?

Mr. Schulz has warned us today against self-satisfied acquiescence in EEC. That is true of all of us, not only those in EEC; I apply it also to the others who are not in EEC. But is it not our duty as European parliamentarians to seek ways for ourselves and to exert pressure on our Governments towards discovering emergency solutions for the transition period? The second best, the third best? Or else we should abandon the attempt.

Now, we have been speaking for two whole days about Europe's responsibility. Mr. Chairman, in no spirit of arrogance and with all due modesty, I venture to ask whether we as parliamentarians should neglect our own responsibility. The younger generation will not forgive us, I believe, if we look on inactive in this critical time when the gap between the two Western European economic groups is widening and wait for better times. Mr. Kershaw has just remarked that there is no question of contrasting pessimism with optimism; he welcomes

idealism and demands realism. I agree. If I may use an image from our machine age, I should like to say that idealism must be the motive force, but realism is the vehicle and the ground it travels on. The motive force takes us no further if we do not have a real tool, a real vehicle or an aircraft in which we can start.

I therefore agree with Mr. Catroux's warning about the explosive international situation which is driving us Six to action and will not brook mere waiting. Yes, Mr. Chairman, I too can make a confession of faith. I am convinced of the need for the United States of Europe and I believe that Europeans have not lost the ability to shape the unity of Europe. It will not be a unity in uniformity, but a unity in variety and multiplicity. Therefore, we as parliamentarians should be able to seek out the spirit of such unity in tolerance and mutual understanding and to reflect it in practical negotiations. (*Applause.*)

The Chairman. — Thank you, Mr. Czernetz, for ending our debate on such an inspiring note. Ladies and Gentlemen, we have now come to the end of our exchange of views. I think we can all agree that we have had two days of good debate. As Europeans we can be proud of the way in which we can exchange views in intelligent discussion and, in Mr. Czernetz's phrase, mutual understanding. But our Europe is not merely a continent of thinkers and talkers. It is above all a continent of men of action, and it is our duty to act. We must turn our words into deeds. If we do not, then our grandchildren will indeed wonder why on earth we spent this lovely Saturday afternoon indoors here in discussion, interesting as it has been. We are not academics, and among politicians discussion, is not an end in itself. It is only a means to an end.

2. *Closure of the Joint Meeting*

The Chairman. — I declare closed this 13th Joint Meeting of the members of the Consultative Assembly of the Council of Europe and European Parliament, a meeting which could be seen, one day when we look back, to have been a very important one.

The Sitting was closed at 5.20 p.m.