

EUROPEAN PARLIAMENT

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DEVELOPMENT OF EUROPEAN INTEGRATION



I. GENERAL PROBLEMS

1. The Pope and Europe

On 6 April, Paul VI held a special audience for those taking part in the seventh session of the Inter-Governmental Conference on the European Civil Service, whose business it was to draw up standard service regulations for European officials.

Addressing the visitors, the Pope recalled that the Holy See was a member of the Council for Cultural Co-operation of the Council of Europe and that the Church could not dissociate itself from the tremendous efforts jointly undertaken by the peoples of Europe. Paul VI went on: "The Holy See, as all know, keeps above political discussions in which speakers of goodwill exchange their legitimate opinions, with a view solely to build the Europe that so many individuals and so many citizens call for with impatience. The Holy See is with all those who are striving to overcome the inevitable difficulties, to reconcile differences and promote constructive relations between Europeans. The Holy See hopes one day to see a new reality emerge which is both rich in all the experiences of the past and inspired by a common determination to work for the best possible future for millions of men who have in common the same ideal: to ensure in peace a brotherly way of life in which each is able to follow his own course and in which all will be able to attain to the ideals of free and responsible men. We share this European ideal," the Pope concluded, "and our Catholic sons are fully prepared to welcome it and contribute towards its achievement." (Il Popolo, 7 April 1965)

2. Interest shown in the signing of the Treaty for the merger of the three European Executives

On 8 April 1965 the six Member States of the EEC signed a Treaty for the merger of the administrations of the three European Communities - Common Market, European Coal and Steel Community and Euratom. This means that on 1 January 1966 the three Commissions and three Councils of Ministers will in each case be replaced by a single body. The Treaty has still to be ratified by the national parliament of each Member State.

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To mark the occasion, the Presidents of the European Executives - Professor Hallstein for the EEC, Mr. Chatenet for Euratom and Mr. Del Bo for the ECSC - expressed satisfaction at the merger of the Executives. Professor Hallstein spoke of the special privilege of "being permitted to attend one's own funeral", although in this case he believed in "life after death". The merger meant not only rationalization but also a political gain inasmuch as it would impart to the Community greater compactness both internally and in its relations with the rest of the world. Mr. Del Bo felt that in the course of the merger it was essential to strengthen the powers of the European Parliament - a sentiment which the Dutch Foreign Minister Mr. Luns echoed wholeheartedly. Mr. Fanfani said that European youth wanted a united Europe so that it was essential to forge ahead on the road to political union. Mr. Spaak also welcomed the merger which he described as a "necessary step in the right direction."

Mr. Schmücker, Federal Economic Minister, said that all who felt responsible for the shaping of Europe were ready to make sacrifices. These sacrifices - like those entailed in securing a better house to live in - were of a temporary nature. "We Germans know that only in a united Europe can we find a proper home, and we believe this holds true - by and large - for all of us." There was not as much time left as was sometimes believed for uniting Europe; other large powers might combine in the meantime, to Europe's detriment. "The world needs a strong and united Europe."

Mr. Couve de Murville, French Foreign Minister, who presided over the meeting, thanked the Luxembourg Prime Minister for the willing spirit shown by his country and spoke of the removal of an anomalous situation. He added that France would give vigorous support to the merger of the Communities.

A spokesman of the Bonn Government described the merger of the Executive as an "important step towards European union." The Federal Government had long been campaigning for the merger which would strengthen and streamline the Communities. The Federal Government regarded the merger as the "first step towards a single Community that would embrace the overall economic activities of the EEC Member States." The necessary work should therefore be put in hand as early as possible. (Frankfurter Allgemeine Zeitung, 9.4.1965; Neue Zürcher Zeitung, 9.4.1965)

3. Mr. Fanfani calls for enhanced powers for the European Parliament

On the occasion of the signing of the Treaty on the merger of the Executives, Mr. Fanfani, the Italian Foreign Minister, stated he was in favour of enhanced powers for the European Parliament. Indeed, he emphasized that the Merger Treaty was a further important step towards European unity and represented a real advance in the development of the Community. He stressed that "this new and progressive reality highlighted the pressing nature of another problem, namely that of providing the European Parliament, on the basis of the Treaties, with the necessary authority to guarantee the democratic development of the Community. The Italian Government considers that it is no longer enough for the European Parliament to exercise purely consultative and supervisory powers vested in it by the Treaties, and that the improvements in relations between the Councils and the European Parliament are not enough either. The powers and prerogatives of the European Parliament ought gradually to be amplified and include those powers of political control which the integration of the Community has taken from the national Parliaments. This transfer of powers should be part of the process of integration in terms of economic realities and Executive bodies."

At this point, the Italian Foreign Minister stressed the need to give effect to the articles in the Treaties that provide for elections to the European Parliament by universal suffrage (Article 21 of the ECSC Treaty; Article 138 of the EEC Treaty; Article 108 of the Euratom Treaty).

He recalled the draft Convention on elections to the European Parliament by direct universal suffrage, which had been approved by the Community Assembly, and the proposal by the then Foreign Minister, Mr. Giuseppe Saragat, now President of the Italian Republic, and the requests made in October 1963 by Mr. Gaetano Martino, then President of the European Parliament, the proposal and suggestions made in December 1964 by the Dutch Government and finally, the proposal made by the EEC Commission within the framework of the new financial regulation for the common agricultural policy to the Councils, for an increase in the powers of the European Parliament on budgetary affairs. The Ministers concluded by saying that there was sufficient agreement to show how necessary and urgent it was for a careful appraisal to be made that will lead to practical and constructive decisions. The Italian Government intended to work actively to this end in the near future and at every possible opportunity; it was confident that in so doing it would be interpreting the general will and promoting the balanced and democratic development of the Community and its institutions. (Relazioni Internazionali - 17 April 1965)

4. President Hallstein's London address on the rôle of the EEC Commission

On 25 March Professor Walter Hallstein delivered an address at the British Institute of International and Comparative Law in London on "The EEC Commission, a new factor in international life."

The President of the EEC Commission described it as the initiator, honest broker and guardian of the EEC Treaty and described the part it played in external affairs. He emphasized that the EEC Treaty, as an "outline treaty", though subject to certain inescapable obligations, allowed for "further flexible development". The Treaty envisaged close co-operation between the Council of Ministers and the EEC Commission at every stage in the formation of the European will. "The existence of the Commission", went on Professor Hallstein, "is introducing a new factor into what might have been a classic example of negotiations between representatives of sovereign States."

Professor Hallstein emphasized that only the initiatives of the Commission led to decisions by the Council of Ministers, and that the Commission alone was in a position to submit to the Council proposals for decisions and regulations which, being the outcome of a compromise between six Governments and of the moment chosen, were invariably of a political nature. The Commission's proposals could be amended or turned down by the Council of Ministers only by a unanimous decision, or from 1966 onwards by a qualified majority. As an "honest broker" the Commission could however amend its proposals at any time.

As the guardian of the Treaty the Commission was always responsible for ensuring that the safeguard and implementing clauses were observed and put into effect. The Commission was fully empowered to enforce - if need be by calling in the European Court of Justice - implementation of the Treaty provisions and the decisions of the Council. From the purely political standpoint the Commission was answerable only to the European Parliament which could compel it to resign on a vote of censure.

The close co-operation that existed between the Commission and the Council of Ministers also covered external affairs since in many cases the Community of the Six was represented by the Commission. Thus, the Commission conducted negotiations on customs duties and external affairs, although it was the Council of Ministers that concluded any agreements. The President men-

tioned in passing that 62 countries had entered into diplomatic relations with the Community. (Il Centro, 18.4.1965)

5. Bonn visit of Mr. Spaak, Belgian Foreign Minister

On 22 March 1965 Mr. Spaak arrived in Bonn for discussions on European policy.

Following a conversation between the German Federal Chancellor and the Belgian Foreign Minister, a Federal Government spokesman stated that Mr. Spaak spoke out in favour of the conference of Foreign Ministers to be held in Venice on 10 May 1965. Belgium's approval was warmly greeted in Bonn as Mr. Spaak had previously reported some misgivings regarding closer political co-operation in Europe. As regards the wish expressed by the British Government to be present from the outset at the negotiations, Mr. Spaak stated that he would only agree to "talks between the Foreign Ministers of the Six on this subject in the course of their normal meetings."

On the Bonn Government side it was emphasized that what was at stake was not the procedure adopted but the success of the conference. The matter was too important however to be discussed alongside other conferences. As to the United Kingdom, it should obviously be kept informed through the WEU. Moreover, care should be taken to prevent anything happening at the talks that might present an obstacle to other countries' joining the political union. Mr. Spaak agreed and, jointly with the Federal Chancellor, expressed the hope that the conference of Foreign Ministers would be followed by a conference of the six Heads of Government on Europe.

Mr. Spaak's remarks were welcomed by the Bonn Government particularly as the 1961 plan for political union - based on the Fouchet plans - had been rejected by Mr. Spaak and his Dutch colleague Mr. Luns. Mr. Luns had stressed the need for the United Kingdom to be called in from the outset in connexion with the establishment of a political union - a view that stemmed mainly from mistrust of Gaullist policy on Europe. The Dutch felt that political union could be achieved without the United Kingdom only in a supranational form, that is on the EEC model.

Mr. Spaak, one of the creators of the EEC, still regarded the Common Market as a stepping-stone to a future European political union. Although a Socialist, he was disappointed by his

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British friends' attitude towards European policy. However, Mr. Luns and Mr. Spaak do not represent a common Benelux standpoint. While Belgium's anglophile policy centres on the continent, the Netherlands' European policy is more anglophile than continental.

Before his talks with Dr. Erhard the Belgian Foreign Minister was received by Mr. Schröder, Federal Foreign Minister. On the same day talks on a broader basis were held at the German Ministry for External Affairs. Dr. Erhard informed Mr. Spaak of his conversations with Mr. Wilson and General de Gaulle, while the Belgian Foreign Minister reported on his talks with Mr. Rapacki, Polish Foreign Minister. In an after-dinner speech the German Federal Chancellor paid a tribute to Mr. Spaak for his attitude towards the Germans after the war and hailed him as "a European statesman and champion of the European cause." (Frankfurter Allgemeine Zeitung, 22.3.1965; L'Information, 24.3.1965; La Libre Belgique, 23.3.1965; 24.3.1965; Il Popolo, 23.3.1965)

6. Discussion of European policy at the CDU Party conference in Düsseldorf

At the conference of the Christian Democrat Party held at Düsseldorf from 29 to 31 March this year, Mr. Schröder, the Foreign Minister, spoke to a foreign affairs and defence study group on the problems of German foreign policy.

The Foreign Minister stated that in a divided country like Germany foreign policy hinged essentially on reunification. The four victorious powers of the second world war ought not to relinquish responsibility for restoring German unity. German solidarity with its allies of the free world corresponded to the solidarity of these allies on the German and Berlin questions. The German question had to be brought into the context of East-West relations and efforts to preserve peace. "We realize", said Mr. Schröder, "that a realistic reunification policy calls for new ideas about European security." Although one remained receptive to such ideas, it was essential that they should conduce to an easing of tension in central Europe and not perpetuate the present dangerous situation. "What is needed is not a radically new approach but the application of certain principles to the new conditions." The Eastern Zone must be treated in the light of the developments that have taken place there during the 20-year period of separation. The existence and way of life of the occupied zone of Germany could not be disregarded.

As regards the setting up of trade agencies in eastern Europe, Mr. Schröder advocated extending relations with countries in the east and south-east of Europe. Existing trade agencies should be looked upon merely as a start, for Germany could detach herself from the drive in eastern Europe for greater independence. "Why should it not be possible for the German people - twenty years since the end of the second world war - to enter into relations of mutual understanding with neighbours in eastern Europe as it has already done in the west?"

With regard to European union, Mr. Schröder pointed out that there had been signs recently of a re-awakening of national interests and of a tendency to give them preference. The aim of European policy was however a federal system for all Europe - political union was bound to come. In the European sphere, relations between nuclear and non-nuclear partners, as well as those between a united Europe and the USA, would have to be clarified. "The Federal Government cannot conceive a European Community that would turn its back on America." Mr. Schröder regarded the Franco-German Treaty as a solid link between France and Germany and as "a pillar of European unity and a model for co-operation throughout the free world. It was in this spirit and in no other that the Federal Government unanimously approved the Treaty."

President Hallstein, after outlining the facts about the European Community, stressed that "European integration has become the source of prosperity in the Federal Republic." He spoke of the transition from American protection to Atlantic partnership - "a partnership that made European unification essential." He did not conceal his lack of enthusiasm for the term "political union". In his view, it suggested that as yet little had been achieved in that field, whereas "everything that is of importance in economic integration is at the same time political." There already existed a rudimentary European constitution which would be improved by the merger of the Executives and would continue to undergo improvement.

The President of the Bundestag, Mr. Gerstenmaier, spoke on foreign policy, the German question and the creation of a new German national consciousness. He drew a distinction between National Socialism and a national consciousness, attributing the latter to humanitarian rather than political factors. It was being shaped by a feeling of fellowship for the peoples behind the Iron Curtain. This went with an awareness that "European integration should not and cannot replace national integration." From this it clearly emerged that if Englishmen and Frenchmen had not abandoned a national state, neither - in their efforts to re-unite their country - had the Germans.

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Federal Chancellor Erhard who in his closing address painted a picture of a "moulded society", saw in it a model for a united Europe and even for other peoples. On this basis, Dr. Erhard's foreign policy cannot but be a policy of peace. As to the negative outcome of the Fanfani - Couve de Murville talks on plans for a political conference in Venice - particularly disappointing for Dr. Erhard who had staked his entire prestige, since he had become Chancellor, on a new European initiative - Dr. Erhard felt that President de Gaulle had not broken the promise given at Rambouillet but merely desired a postponement. The Federal Chancellor stressed once again that the drive for political union in Europe should on no account be allowed to miscarry. (Frankfurter Allgemeine Zeitung, 31.3.1965; Neue Zürcher Zeitung, 31.3.1965; 2.4.1965)

7. Views of Mr. Majonica, CDU member of the Bundestag, on the drive towards European integration

In an article published in mid-March Mr. Ernst Majonica, member of the Bundestag, advocates the establishment, alongside the existing European Communities, of a political union which - placing the emphasis on external policy - would show what form of political Europe was desired. Mr. Majonica feels that French opposition would render a combination of EEC and political union impossible, although it is not disputed that the Commission is already carrying out political functions. To intervene in the field of economic and social policy is to intervene on the political plane. "Foreign trade is at the same time foreign policy, just as economic policy is European internal policy." Policy on defence and on external and cultural affairs must in the not too distant future be determined - together with the Brussels problems (economic, social and transport policy) - by an institution "in the government of a European Federal State."

What has been achieved to date is part of the coming political integration. The goal cannot however be attained by transferring political functions to the Brussels Commission. The arrangements worked out in 1961/62 should not be used as a basis for the creation of a political union. The proposals then put forward were too complicated, and the appropriate steps should now be taken in the light of subsequent experience. "In making a fresh start we must adopt a realistic approach. It is what is attainable rather than what is desirable that should be the decisive factor."

The strengthened single Executive that will result from the merger will at last permit a European energy policy to be pur-

sued not by three but by a single body. One difficulty will be the dissimilar legal structures of the three Communities - particularly in respect of the degree of supranationality - since "a single Executive will have to operate in three distinct sectors with different responsibilities."

In carrying out the merger of the three Communities an attempt will therefore have to be made to amend the texts of the Treaties. At all events the merger of the Executives will make for more efficient administration as there would then be only one personnel department and one general directorate for external relations.

Mr. Majonica feels that economic integration should be taken further. An attempt will have to be made to integrate the national economies into a single European economy. He lays stress on the difficulties presented by a common monetary and short-term economic policy, a common trade policy towards third countries, the harmonization of turnover tax systems and taxes on consumer goods which must be abolished.

According to Mr. Majonica, the development of the Community largely hinges on the position of the European Parliament which must exercise parliamentary control over the vast funds at the command of the Commission in Brussels. The national Parliaments will certainly be chary of handing money to Brussels if it is not subject to control as it obviously is at the domestic level. Mr. Majonica feels that the indirect facilities that exist for such control are inadequate. Moreover, the European Parliament - because of its familiarity with these matters - is alone able to exercise effective control. The Parliament must therefore be given the right of budget control - "at once the supreme and most effective right of any parliament". According to Mr. Murray Forsyth's book "The Parliament of the European Communities", the duties of a parliament consist in "examining the draft budget, discussing its overall political, social and economic significance in a public debate, and finally adopting the budget as a whole". Mr. Forsyth points out that so far the European Parliament has carried out only the first of these three functions.

The powers of the European Parliament should be widened to embrace not only budgetary matters but also functions at present performed by the national parliaments, e.g. control of legislation and participation in the appointment of members of the Commission. Although the Parliament has the right to table a motion of no confidence in the Executive and to put questions to the Council of Ministers, it is not empowered, when the Executive is newly appointed, to take part in the discussions or outvote the Council of Ministers. The European Parliament's influence on Community

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legislation is therefore "variable and indeterminate". Mr. Majonica therefore considers that the Parliament should be given a say in the appointment of members of the Commission which would thus "increasingly acquire the status of a European Government". The Parliament's Opinions on proposed laws must be made binding as in this way the Council of Ministers would acquire the range of duties usually associated with a Second Chamber.

Mr. Majonica feels that the need to broaden the Parliament's powers is more pressing than the problem of direct elections, desirable though these may be. "A vote is of value only if it is cast for a parliament really worthy of the name." In direct elections, members should be elected exclusively to the European Parliament as simultaneous membership of a national parliament would only lead to further complications. The additional work accruing from the reforms could be coped with only by members who have pledged their services to the performance of European tasks. "Powers can be a source of embarrassment if they cannot be adequately exercised."

Mr. Majonica calls for a German policy aimed at widening the powers of the European Parliament as it is on this that the emergence of a democratic Europe largely hinges. He sees the Parliament as the link that could unite the existing European Communities with the forthcoming political union. All proposals for political union should, in his view, be referred to the European Parliament. "Opinion may differ as to the degree of the Parliament's participation but not as to the principle whereby the powers of the Parliament should be allowed to develop in the political union to the same extent as in the Community."

The rights of the European Communities should not be encroached upon by the political union. Foreign policy, which occupies the centre of interest, must be gradually reduced to a common denominator - hence the need for general consultation. This applies particularly to the conclusion of treaties with third countries. A useful purpose could also be served by setting up a European body to make preparations for meetings of the Council of Ministers and put its decisions into effect. On this point, Mr. Majonica refers in his article to the German proposals of November 1964 which were framed so as to provide the political union at the outset with the highest degree of flexibility. This involves regular consultation of ministers for defence and for external and cultural affairs as well as of Heads of Government. By enlisting the services of a consultative committee - appointed by the Governments but working independently - an overall European approach would be maintained. The European Parliament would have to be provided with regular reports on which it would be expected to give its opinion. In the light of the experience gained from these constant consultations between ministers and

Heads of Government, the appropriate decisions would have to be taken. These in turn would provide the substance for a treaty on political union. "This is a minimum programme which could serve as a starting basis."

Mr. Majonica feels it is also important for the United Kingdom that Europe should make progress, since stagnation can also mean collapse. England's entry would be out of the question unless Europe is preserved intact. The drive towards political union must not therefore be held up on Britain's account. It will be easier for the United Kingdom to join an existing Community than to take part in its establishment. It should however be kept informed of all major steps through the WEU, and its admission - like that of other States - should not be blocked.

Political union can only be achieved with the goodwill of all concerned within the Community. We must all therefore be prepared to set certain bounds to our wishes. The efforts to overcome the European crisis - particularly with regard to the world political situation - must not be hampered by a "battle of dogmas waged between supporters of the federal or confederal solution, by disputes regarding the participation of non-member countries or by exaggerated concern for national interests."

The Federal Republic of Germany will not allow itself to be discouraged from working for political union even if further efforts should misfire. The essential thing is that Europe should be brought into being - how this is done is of secondary importance. Hence the need to remove the obstacles still remaining. "Failure to unite our continent will leave the way open to either anarchy of nationalism. But these alternatives would spell the end of free Europe and the victory of Communism." (Rheinischer Merkur, 12.3.1965)

8. Exchange of letters between Bonn and Paris

On Easter Sunday it was announced in Bonn that the former Federal Chancellor, Dr. Adenauer, had written personally to President de Gaulle expressing concern regarding Franco-German relations and international and European politics.

It is understood that in his letter Dr. Adenauer appealed to President de Gaulle to continue backing the drive for European integration, particularly after the failure of the Couve de Murville - Fanfani talks on the Venice conference of Foreign

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Ministers planned for May 1965. Dr. Adenauer is also known to be very worried about the ostentatious Paris statements on Franco-Russian friendship. At the CDU Party Conference in Düsseldorf, Dr. Adenauer had warned of the danger of Franco-Russian co-operation and expressed anxiety regarding a new encirclement of Germany.

In his reply to the CDU Chairman, General de Gaulle is believed to have defended, in polite and friendly terms, his standpoint on the major questions and to have emphasized that important questions would have to be settled before a conference of the Six could be held on political union. President de Gaulle also replied to a letter from Federal Chancellor Erhard addressed to him in the course of the permanent exchange of views between their respective countries. President de Gaulle is understood to have referred to the need to settle a number of other important problems such as that of defence. He did not, it appears, enter into agricultural questions.

The texts of the letters exchanged between Dr. Erhard, Dr. Adenauer and President de Gaulle have not been published. Only the receipt of President de Gaulle's reply has been officially announced in Bonn by both a Government and a CDU spokesman. The Government spokesman added: "This exchange of letters is intended to amplify through personal explanations the two-way consultations envisaged in the Treaty of friendship." The Federal Government saw no immediate connexion between agricultural questions and political union, and did not doubt that the French Government was "abiding in principle to what was agreed in Rambouillet."

In Paris too there was no official announcement regarding the contents of the letters. Only the Gaullist journal, "La Nation", commented on them in an unsigned article which is assumed to reflect the views of the Presidency and of the Ministry of Foreign Affairs. "La Nation" pointed out that Bonn had adopted a helpful attitude regarding the EEC's agricultural prices, but that the agreements reached in Brussels last December could only come into effect after further financial arrangements had been made. On this point the journal refers to 30 June 1965 as a "crucial date". Until "agricultural Europe" had been brought into being, France could not push ahead on the road to political union. Moreover, agreement would first have to be reached on defence and external affairs. The journal speaks of a "pre-election climate" in Germany and emphasizes that foreign policy - whether in Paris or Bonn - could not be based on electoral considerations. (Frankfurter Allgemeine Zeitung, 20.4.1965; 21.4.1965; 22.4.1965; Neue Zürcher Zeitung, 20.4.1965; 21.4.1965; Le Monde, 22.4.1965)

9. A "Europe of States" or a "Europe of political parties"?

In an analysis of political and parliamentary systems in various European countries, the weekly "Journal des Indépendants" (organ of the "Centre national des indépendants et paysans") wonders whether the conflict between the European concept of the present French leaders and that of other European leaders really does hinge only on the problem of integration or respect for "national rights". The relevant arguments have been set out on many occasions, but underlying this debate there is a further argument. Through the offices of its parliamentary representatives, public opinion has, as the construction of Europe has gone forward, been a powerful stimulus for the Governments. The foundations of Europe laid in 1948 and 1949 had the form of a Parliament, namely the Council of Europe. The founding of the Coal and Steel Community, followed by the Common Market, allowed for further progress and created a new forward drive. Within these institutions the European Parliament, restricted to the Six, has played an important part as an advisory body and probably even more, as a link with public opinion and the Parliaments of the various countries.

It has even had political control over the Members of the High Authority and it may be asked whether the aversion of the present French leaders to European integration does not stem from this "parliamentary ferment" at work at the very heart of the European institutions. These political parties, so derided in France by some, continue elsewhere to play an important part and no one can imagine political life without them.

The "Journal des Indépendants" then goes on to examine the part played by the political parties of certain European countries in national Parliaments and European assemblies i.e. the Consultative Assembly of the Council of Europe and the European Parliament; it raises the question of a European policy of the centre. Winding up its analysis the "Journal" asks whether it is possible for a country entering a "Community" to retain a political system that is markedly different from that of its partners. The closer the links and the greater the measure of integration, the more some degree of unification must follow as a logical sequel. It is, moreover, well known that the Spanish liberals are pressing for Spain's accession to the Common Market in the belief that this would necessarily lead the present régime towards a traditional parliamentary pattern.

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At all events, progress is bound to be slow and the political systems remain shut in within the frontiers. Yet the free movement of individuals and ideas makes for unification. Integration captures men's minds even before institutions appear. A comparative study of politics would show the precariousness of the present French system and what faint a chance it has of giving substance to the dream of some of its theorists: a two-party system in the English manner. The existence of one of the strongest Communist parties in free Europe would of itself suffice to destroy this system.

Will the coalition of the centre parties then come about by means of a compromise as in Belgium, the Netherlands or Austria? Through an opening to the left as in Italy? Or by an opening to the right? (In which case the U.N.R. would either have to splinter or renounce its "raison d'être"). No one can prophesy about a situation in a state of flux but the existence of "Europe of political parties" provides support for the French political parties. It provides them with an example of how to rethink both their ideas and their tactics and may perhaps help them to effect the necessary change." (Journal des Indépendants, 12 April 1965)

10. General de Gaulle and European questions

In his speech on radio and television on 28 April the President of the French Republic touched on questions affecting the construction of Europe.

General de Gaulle took issue with those who expected France literally to give up her identity in a so-called integrated Europe in preference to adopting the more natural course of co-operating in the organization of the free nations of the old Continent. Without its two mainstays - the sovereignty of the people and the responsibility of the State - to so-called integrated Europe would automatically be subjected to the protector across the Atlantic. No doubt there would still be French workers, French farmers, French engineers, French teachers, French officials, French members of parliament and French ministers, but there would no longer be a France.

General de Gaulle explained what the national independence opted for by France entailed in a political sense: "without fore-swearing our friendship for the Americans our business is to act like the Europeans that we are and as such to apply ourselves to restoring the balance of our Continent from one end to the other

on the basis of agreement and co-operation between all the peoples who, like ourselves, live here in Europe. France has applied herself to this purpose in becoming reconciled with Germany, in suggesting to our neighbours on both sides of the Rhine and of the Alps that there should be real solidarity between the Six and in resuming with the East European countries, as they become free from their crushing yoke, that relationship of real understanding which linked us to them in former times." (Le Monde, 29 April 1965)

11. Statement by Mr. Luns on European Political Union

Mr. Luns, Dutch Minister for Foreign Affairs, in an interview with an Italian newspaper explained the broad outlines of Dutch foreign policy. This was based on loyalty to the Atlantic Alliance, on the principle of Britain's membership of the Community and the democratization of the Community institutions.

The Minister said that politically, Europe was going through a period of uncertainty and the resumption of negotiations for a political Europe would certainly suffer a considerable delay as a result of the French refusal to take part in the Venice Conference.

Discussing the shape that the political Europe should have, Mr. Luns stated that: "In the view of the Dutch Government and Parliament, union between the Common Market countries would have to be built on a democratic basis, maintain very close links with our Atlantic Allies and remain open (i.e. allowing for the accession of other members, such as the United Kingdom)."

"As regards defence," the Dutch Minister continued, "any weakening of NATO would have to be avoided as would any weakening in our co-operation on defence with the English-speaking world and the other members of the Atlantic Alliance. This will explain why the Dutch Government has shown its preference for the Italian proposals on political union which reflected a concern not to prejudice NATO co-operation or links with the United States."

The Dutch Minister stressed the need to strive for a democratization of the European Communities through strengthening the European Parliament, which is not at present endowed with legislative powers.

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Mr. Luns recalled with satisfaction the proposal made a year ago by Mr. Saragat, now President of the Italian Republic, to strengthen the European Parliament and which had recently been put forward again by Mr. Fanfani. He concluded by saying: "The Netherlands is gratified at the identity of views on this problem which unites it with the Italian Government; generally speaking, the Dutch Government and Parliament would like very much to keep in closer touch with the Italian Government on the subject of European problems." (Il Corriere della Sera, 21 April 1965)

12. The "Bilderberg" Conference in Como

The 14th session of the "Bilderberg" Conference on western problems was held in Como from 2 to 4 April. It was attended by leading figures from the following countries: Austria, the Netherlands, Canada, Denmark, Finland, France, the Federal Republic of Germany, Greece, Iceland, Italy, Norway, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America.

The object of the meeting presided over by Prince Bernhard of the Netherlands was to provide a forum for frank and open talks on current problems liable to threaten the unity of the West. It was founded on the conviction that a sincere exchange of views was of fundamental importance to co-operation between western democracies. The items discussed at the Conference included monetary co-operation in the West and the state of the Atlantic Alliance in its political, military and economic bearings.

The discussions brought to light the conviction that present or future difficulties in the international payments system could only be overcome through broadly based co-operation between western countries; this was felt to be inevitable in view of the wide measure of interdependence between the economies of these countries.

On the more strictly political level, many speakers, including those from Italy, stressed the need for a fresh start towards European political unification since only through a united Europe would it be possible to achieve an Atlantic Alliance on an equal basis with the United States. (24 Ore, 6 April 1965)

II. ECONOMIC POLICY AND ECONOMIC SECTORS

1. Federal Bank President Blessing on European currency problems

In an address to the sub-Committee on "social security and a stable economy" at the Christian Democrat Party conference in Düsseldorf, Federal Bank President Blessing spoke about a reserve currency statute based on the Deutschmark or a common EEC currency.

Turning to the rumours that Deutschmark would be chosen for the purpose, Mr. Blessing stated that "a currency does not become a reserve currency merely by stating that it will do so; to attain that status it must have been highly prized abroad for a considerable number of years. Moreover a reserve currency calls for far wider facilities than we possess, namely, an efficient money and capital market." Mr. Blessing went on to say that the status of a reserve currency was "a mixed blessing since our currency reserves would be increased still further through the maintenance of larger DM stocks abroad. This would raise the problem of conversion into gold or involve us more than hitherto in exports of gold and capital not entirely devoid of risk."

Mr. Blessing thought that the time was not yet ripe to adopt a common EEC currency as the reserve medium. The introduction of a European currency would not of itself bring the European Economic Community to completion. The second step could not precede the first, and the EEC was still an "association of more or less sovereign States" enjoying full independence in budgetary matters. Before a common currency was established, the economic, financial and social sectors would have to be harmonized. A common currency could only be brought into existence through a gradual process of balanced organic growth." In the meantime, EEC currency questions should continue to be discussed in the Committee of Presidents of Banks of Issue and in the Monetary Committee, so as to move slowly but surely towards a monetary union. "In the process", continued Mr. Blessing, "sight should never be lost of the fact that currency questions are of world concern and reach out beyond the sphere of the EEC."

Mr. Blessing's address at the same time amounted to a plea for a stable currency. If the stability of prices and costs in the USA continued to be maintained, the same would have to be the case in European countries. Otherwise reduced competitive capacity and adverse balances of payment would have to be reckoned with. The President of the Federal Bank also pointed to the drive for stabilization in France, Italy and the United Kingdom - "the days of carefree inflation are over here as in other countries". This also changed the situation of the German economy. Rises in prices

would not in future stem from "imported inflation" but would be a "native growth". He appealed to the Government and to employers and workers "to let reason hold sway and not to go to extremes". (Frankfurter Allgemeine Zeitung, 31.3.1965)

2. Visit to The Hague of Mr. Schmücker, Minister for Economic Affairs of the Federal Republic of Germany

Mr. Schmücker, the Federal Minister for Economic Affairs, discussed economic matters in The Hague on 22 March 1965. Mr. Andriessen, his Dutch opposite number, had previously called on him in Bonn.

In a statement to the press Mr. Schmücker declared that he and Mr. Andriessen felt that the prerequisites for a sound international monetary policy should first be discussed in the national Parliaments. The individual partners should first of all endeavour to adjust their balance of payments position. In connexion with the EEC programme of work for 1965, it had been agreed to avoid as far as possible entering into any commitments on deadlines but rather to aim at maintaining a flexible balance between the problems to be dealt with and the answers to be found. The efforts made to arrive at a common EEC trade policy were evinced by the German and Dutch endeavours to bring the Kennedy Round to a successful conclusion. "Our two countries are agreed that a strong external trade system is essential; for it will be followed by a community of interests which it is our intention to achieve." With regard to the harmonization of the turnover tax, a uniform viewpoint had not yet been arrived at but the Netherlands shared West Germany's opinion that common efforts must be pursued in order to harmonize the turnover tax, although the Dutch advocate that this should be done at a reasonable pace.

Agreement had been reached in the talks on the EEC trade policy in regard to State-trading countries. Mr. Schmücker stated: "It is our belief that all the EEC partners must seek a common line of approach if we want to prevent a situation where the individual countries would be played off against each other as a result of different conditions." Mr. Schmücker regarded the need for working out a common energy policy as the most urgent problem at the moment. This problem had to be solved before the merger of the EEC, Euratom and the ECSC.

III. EXTERNAL RELATIONS

1. Anglo-French relations and Europe

The British Prime Minister, Mr. Harold Wilson, and the British Foreign Secretary, Mr. Michael Stewart, had talks in Paris on 2 and 3 April with President de Gaulle and his advisers.

After the talks a communiqué was issued. This stated in particular: "The President and the Prime Minister discussed their respective points of view about the maintenance of the security of the West within the framework of the alliance which unites their countries. Among the subjects discussed was relations with the East. The President and the Prime Minister agreed that, in view of the evolution of the situation, their Governments should continue to work for a steady improvement in their relations with the Soviet Union and the other countries of Eastern Europe. Other European questions were also discussed from the respective viewpoints of the two Governments.

The situation in other parts of the world was also reviewed. The two Governments considered the problems in Africa and the Middle East in the light of their common desire to contribute to the stability and the economic development of these regions with full respect for the independence of the countries concerned. They agreed to remain in close contact on these problems.

The situation in South-East Asia was the subject of careful study. Despite the differences between the views of the two Governments, both sides recognized the dangers of the situation and the need for a lasting and peaceful settlement in Vietnam.

Questions of economic and monetary policy were also discussed. Mr. Wilson stated the determination of the United Kingdom Government to strengthen the British economy, to maintain the present exchange value of sterling, and to remove as soon as possible the import surcharge. The Prime Minister described the measures taken for these purposes. The President welcomed this statement.

There was a detailed discussion of the urgent and complex problems which arise in relation to international payments and the expansion of world trade. There was a full exchange of views on various means of dealing with the problems. It was agreed that the Ministers responsible should meet to discuss this question.

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The President and the Prime Minister agreed that a successful conclusion of the Geneva tariff negotiations would contribute to more fruitful relations between the EEC and EFTA countries.

The President and the Prime Minister agreed on the need for developing closer practical co-operation between France and Britain in the field of aviation and other advanced technologies. They agreed that the Ministers concerned should meet and examine in greater detail the scope for joint projects of this type, which might then, as appropriate, be opened to the co-operation of other interested Governments.

The President and the Prime Minister agreed that their talks had been of great value and had provided a basis for the development of Anglo-French relations in a spirit of cordiality. They agreed that they and their Governments would remain in close contact, and that further ministerial talks would take place as appropriate."

For a press conference held in Paris on 3 April, Mr. Wilson explained and expanded some of the points of the talks, with particular reference to European affairs. These were the subject of lengthy discussions. On economic matters, Mr. Wilson stated that the United Kingdom would continue its efforts to build a bridge between the EEC and EFTA. In this connexion, it would be possible to keep in touch in several organizations, particularly GATT at Geneva on the occasion of the Kennedy Round.

The question of Europe's political cohesion was also dealt with and the Prime Minister expressed his Government's desire to take part in the forthcoming discussions. The optimism of the Prime Minister was reflected in his comment to the effect that no one was ready to leave things as they were. (Le Monde, 4-5 April 1965)

2. Mr. Wilson's visit to Rome

At the invitation of the Italian Government, the British Prime Minister, Mr. Harold Wilson, paid an official visit to Rome from 27 to 29 April.

A joint communiqué issued after his visit stated, inter alia, that the talks "took place in a friendly atmosphere and revealed a wide measure of agreement on the problems discussed."

"Reviewing the problems of Europe, the President of the Italian Council explained the most recent developments and the present position with regard to the process of European unification. It was emphasized on the Italian side that the Italian Government had always considered British participation in the construction of Europe to be most desirable."

"The President of the Italian Council and the British Prime Minister agreed on the importance of maintaining international monetary stability and of giving early consideration, together with other interested Governments, to further measures to facilitate international payments and the expansion of world trade. They reaffirmed the resolve of their Governments to contribute to a successful outcome of the Kennedy Round. They also confirmed the importance which they attached to working to strengthen the ties between EEC and EFTA and to reduce the divisions between them." (Italian Government Official Communiqué)

3. De Gaulle's "Greater Europe"

On the occasion of the Paris visit of the King and Queen of Denmark, General de Gaulle again made a plea for a "Europe stretching from the Atlantic to the Urals."

In an after-dinner speech in honour of his royal guests General de Gaulle stated that "the spirit of reason now appears to be emerging in Europe." Progress was now also gradually being made in the totalitarian camp. In spite of past conflicts and existing differences in the forms of government, the peoples of the old continent make a contribution to mutual understanding and co-operation. For this however it was essential that Europeans in both the West and the East "should find their place in independence, balanced relations and peace". "If this old and yet new road opens up for us, France and Denmark would walk along it hand in hand", added General de Gaulle in winding up his brief address. (Frankfurter Allgemeine Zeitung, 7.4.1965; Le Monde, 7.4.1965)

4. The British Conservatives and European policy

An influential group of Conservatives in the House of Commons has published a pamphlet entitled "One Europe" putting forward a plea for Britain's entry into the Common Market. Though published by the Conservative Political Centre, the pamphlet does not purport to represent the official views of the Opposition. The five members of the Group who are on the Opposition Front as members of the Shadow Cabinet - Mr. Heath, Mr. Maudling, Mr. Macleod, Mr. Powell and Sir Keith Joseph - have not appended their signatures to the pamphlet for that reason. The eighteen signatories, who include former members of the Government, aim at promoting Britain's entry into Europe and "examining how the next Conservative Government may be able to achieve it."

The pamphlet expresses regret that Britain failed after the war to seize the chance to take over the leadership of western Europe, and that later, in the fifties, she did not become a founder member of the Common Market. Both opportunities were missed because Britain, conscious of having emerged from the war on the winning side, failed to understand in time the new mood in Europe.

The authors of the pamphlet also discuss the political, military and economic factors which, in their view, underline the need for Britain's co-operation with her neighbours on the European continent: British industry - especially in the fields of aircraft, rocketry, electronics and nuclear electricity generation - needs a bigger base to ensure adequate investment and widespread sales outlets. "We have, it is true, the EFTA market but the population of the other EFTA countries is less than 40 millions while the population of the Six is a hundred millions." Moreover, co-operation with the Common Market would make British industry competitive again. In this connexion the pamphlet refers to the decline in trade with the Commonwealth and the simultaneous expansion of trade with Europe, which clearly indicated the trend of events. The sterling crisis last August also showed that "no country can be an economic island today."

On political integration in, and with, western Europe the pamphlet adopts a cautious, almost pragmatic approach. It does not go into details but concludes that Britain can only take part in shaping the European political union if it is a member. "If Britain is to rise again in strength, she must join and contribute to the wider conception that is Europe. This can only be done from within. To be excluded means eventual isolation."

The pamphlet calls on the Conservative Party to declare that it is its policy to join Europe by whatever means is best upon its being returned to power. To start with, a prominent Cabinet Minister in the next Conservative Government must be made Minister for European Affairs. He should keep in the closest touch with European leaders and attend all European conferences. The pamphlet advocates the immediate appointment of a "shadow" Minister for European Affairs in the Shadow Cabinet and steps to enlighten the public. Emphasis is laid on the need for British efforts since each new initiative by the Common Market countries cements them closer together, offering to Britain a more formidable "fait accompli".

The Conservatives consider the two major obstacles to Britain's entry into the Common Market to be the attitude of General de Gaulle, who wishes to keep down the number of partners and to preserve an arrangement from which France benefits, and his antipathy to close links with the United States. In Britain itself the great obstacle is the present Labour Government which, when it was in opposition, "remorselessly exploited the traditional, the emotional and the sentimental prejudices of the British." Wilson's conditions apart, "the European countries have become convinced that this Government is not interested in joining Europe. They have resolved to proceed with political union without us. It is hard to see how Britain can move nearer to Europe while the Socialists remain in office."

The Conservatives however are also aware of their own mistakes, especially those of their Government in 1951 and up to Mr. Macmillan's 1961 application in Brussels.

With regard to EFTA's future, the "European" Conservatives feel that everything should be done to prevent the gap between the EEC and EFTA from growing wider. If the integration of EFTA could be carried out on similar lines to those of the EEC, "it could be prepared for eventual fusion with the Six." The neutrals are asked to change their "rather rigid attitude" for the sake of the unity which they themselves so much desire.

Sir Alec Douglas-Home, the Conservative Leader, has apparently instructed Mr. Duncan Sandys, member of the Shadow Cabinet and convinced "European", to take the initiative on European policy. At all events, speaking at a Young Conservative conference Mr. Sandys advocated Britain's entry into Europe with a vehemence not experienced since the breakdown of the Brussels negotiations. "Shall we help to build and lead a united Europe", asked Mr. Sandys, "or shall we stand aside and watch this great devel-

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opment unfolding without us?" The Minister of the Shadow Cabinet spoke of a "historic decision" which he did not consider to be particularly difficult since it was to the advantage of both sides.

Mr. Sandys, who is responsible for Commonwealth affairs in the Shadow Cabinet, opposed the argument that Britain's rôle in the Commonwealth was incompatible with her entry into the Common Market. The Commonwealth was in no way an alternative to the European Economic Community. The Commonwealth did not offer Britain a large protected free trade area like the Common Market. He felt that close co-operation between Britain and Europe would also have positive advantages for the Commonwealth. It was of no use to put off the negotiations until there were prospects of success. Steps should be taken immediately to prepare the way. (Frankfurter Allgemeine Zeitung, 8.4.1965; 12.4.1965; Neue Zürcher Zeitung, 9.4.1965; Il Centro, 18.4.1965)

5. Mr. Wilson and Europe .

In an interview to the editor of an Italian daily, Mr. Harold Wilson answered a number of questions on current political problems and relations between the United Kingdom and the EEC in particular.

Asked whether the United Kingdom would be interested in taking part in consultations between the six States of the European Community with a view to political unification, Mr. Wilson emphasized that the six countries in question did not constitute the whole of Europe and made it clear that the British Government did not underestimate the political importance for the Six of the economic integration they had so far achieved, nor did the Government have any desire to hamper the talks between the Six on matters concerning them. However, the political future of Europe was a question of much wider interest, and decisions affecting the future of all would hardly be effective or serve the cause of European unity if they were taken by six countries on their own. The Prime Minister pointed out that the United Kingdom was an important European country and that it wanted to take part in building a united Europe. Indeed, in the early post-war period (the Prime Minister was referring to the work done by the Attlee Administration) the United Kingdom had played a decisive part in the reconstruction and reorganization of Europe; it had taken the initiative in setting up the OECD, the Treaty of Brussels and NATO. The United Kingdom had always wanted a broader-based Europe and it still wanted it.

Turning then to the unsuccessful negotiations of 1962 and the conditions for accession laid down by the British negotiators, Mr. Wilson said that it was natural that the then British Government should have acted as it did; it had done no more than protect the interests of the British people.

With reference to the Kennedy Round, the Prime Minister stated that the British Government hoped to promote an extension of trade between all countries and was in favour of reducing customs barriers; it would therefore welcome a successful conclusion to these negotiations. Not only would the barriers between the two economic groups in Europe be lowered but trade in goods between Europe and the United States, on the one hand, and the developing and less-developed countries, on the other, would increase. As proof of its desire to co-operate, the British Government had proposed a very short list of exceptions to the products on which it would tentatively be ready to reduce customs duties.

In reply to a specific question on the possibility of a new chapter in the negotiations with the Community being opened, Mr. Wilson stated that he did not think there was any chance at the moment of the United Kingdom being asked to join the European Economic Community and hence the question of negotiations did not arise at the moment. He added however, that the long-term aim of the United Kingdom was the creation of a European common market which included the United Kingdom and as many other European countries as were ready to take part in it. If such a market were well designed and not inward-looking but ready to import from the world at large, the interests of the Commonwealth would not, in his opinion, constitute an obstacle. If these conditions were met, he felt that not only would they not be incompatible with British interests in Europe but complementary to them. (Il Corriere della Sera, 1 April 1965)

6. Mr. Wilson's New York speech

Addressing the "Economic Club of New York" on 14 April, Mr. Wilson laid stress on the strong position of the pound sterling and his Government's plans for a new drive and spirit in British industry. He also confirmed his Government's determination to maintain the value of the pound.

After having examined the difficulties and prospects of Britain's balance of payments position, Mr. Wilson turned to the essential points of the Government's policy. This covered meas-

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ures to be taken through the machinery of the National Economic Development Council (originally set up by the Conservatives) to expand those industries which are particularly needed for exports and strengthen the industrial base. In particular, further concentration on productivity, industry by industry. Furthermore an extensive effort would be made to increase the rate of national investment and stimulate technical industrial progress. To this end a new ministry, the Department of Economic Affairs, had been created.

An all-out attack would be made on restrictive practices. The relevant law would be applied more strictly. Furthermore, a high-powered inquiry would be made into Britain's docks.

The work of joint partnerships between Government and industry in research and research development would be stepped up. Provision of Government Funds for productive research in private industry leading to the creation of new factories and new industries to exploit the results of this research would greatly be increased. Tax facilities to stimulate exports were provided for in the policy.

In order to enable export to increase, the Government had been obliged to make dramatic and highly controversial cuts in its defence programmes. The resulting redeployments would assist export industries which were unable to make their full contribution through shortage of skilled labour.

As regards the fight against inflation, the Prime Minister pointed out that the present Government, despite the large commitments it inherited on taking office, has held the estimates for Government expenditure this present fiscal year ending April, 1966, to a rate 8.9 per cent above last year. But public expenditure, including Government, local authorities and national insurance, would not be allowed to rise over the period 1964 to 1969-70 at a rate greater than $4\frac{1}{2}$ per cent per annum in real terms.

The Government had not failed to make full use of monetary policies to ensure that the fight against inflation was conducted on every relevant front.

Mr. Wilson then declared that the Government had succeeded, thanks to negotiations with those concerned, to secure and publish not only a declaration of intent to keep prices, profits, wages, salaries within the rate of growth that could be afforded by the expanding production, but also a detailed agreement on the machinery to achieve it.

The British Government fully backed the late President Kennedy's plans to fight world poverty. To this end, it was of vital importance that the Kennedy Round should be a success. This was, moreover, not only necessary to Britain, but also to prevent a further hardening of the economic division of Europe. However, all hopes for freer trade would be vain if the volume of world monetary liquidity did not keep pace with expanding trade.

The British Prime Minister mentioned the many important contributions made to solve the difficulties in regard to the international payments system. However, he firmly rejected the suggestion to return to the gold standard. This system, Mr. Wilson said, had already been effectively repudiated 35 years ago by the economist John Maynard Keynes and circumstances had not changed since then. (The Financial Times, 2, 26 and 29 April 1965)

7. Opposition to the idea of a "Little Europe" from Senator Schiller, responsible for Economic Affairs in Berlin

On 11 March 1965 Professor Karl Schiller, Senator responsible for Economic Affairs in Berlin, came out strongly against "little European or Rhine-European solutions" which would split the free part of Europe. Senator Schiller was addressing the Federation of Swedish Industries, the German-Swedish Chamber of Commerce and the German-Swedish Society in Stockholm.

The Senator described the rapprochement of the two European communities, the EEC and EFTA, as the basic issue in European integration. The Federal Republic of Germany was particularly interested in building a bridge between them, if only because of the structure of its industry. He mentioned the proposal of Mr. Münchmeyer, the Hamburg banker, and suggested that there should, as it were, be an outline agreement between the EEC and EFTA. The EEC, which was to become a fully integrated "national economy" could easily be incorporated as an "eighth member" within EFTA's looser form of association. This plan, Senator Schiller thought, would be the more acceptable if there were to be negotiations between the two communities not on EFTA's accession to the EEC but on a "collective outline treaty". This would preclude complicated bilateral negotiations.

Senator Schiller emphasized that Berlin followed with interest the disintegrating trends in eastern Europe. The countries of western Europe should give cautious support to these trends through an "active and co-ordinated Eastern trade policy", particularly in the matter of credit. (Die Welt, 12 March 1965)

8. Mr. Gunnar Lange, Swedish Trade Minister speaks on EFTA

At a meeting of the Social Democrats in Uppsala on 21 March 1965 Mr. Gunnar Lange cautioned against exaggerating the weaknesses of EFTA. Only one course was open to Sweden in the field of political integration, and that was to surmount EFTA's difficulties, broaden the sphere of co-operation and strengthen and extend the Free Trade Area. If EFTA's plans were successful, in about two years time there would be a duty-free market for 90 million people. Mr. Lange felt that the reduction in the import levy from 15 to 10 per cent announced by the United Kingdom was a step in the right direction and the "there was no reason to give up the hope that the present acute difficulties could be overcome and that the previously highly promising drive towards consolidation and development could be continued."

Mr. Lange traced EFTA's weaknesses mainly to its structure. EFTA comprised seven small countries confronted by one great power on whose trade policy they were largely dependent. Developments in the United Kingdom were of great importance to Sweden; what happened in Sweden, on the other hand, was of less importance to Britain. Mr. Lange described reactions to the obvious weaknesses of EFTA as in part "grossly exaggerated and illogical."

In Sweden the question had even been raised whether EFTA offered that country any advantages at all. In his opinion it would be senseless to discuss such a notion. The value of Swedish exports to EFTA countries had increased by about 86 per cent since 1959 and by only 56 per cent to other countries. In the last year alone Swedish exports to the United Kingdom had risen by 28 per cent while inter-nordic trade in EFTA had even doubled.

Mr. Lange asked how these advantages could be preserved if EFTA were disbanded, or what alternatives existed. A shrunken Free Trade Area, "a rump EFTA or merely a nordic market - even assuming it were practicable - would undoubtedly give poor results. The door to the EEC had not been opened; moreover, as a neutral country, Sweden could not apply to enter and indeed had no prospect of becoming a member." (Neue Zürcher Zeitung, 23.3.1965)

9. Debate on European questions in the Swedish Diet

The external affairs debate in the Swedish Diet opened with a statement by the Government. In both this statement and the ensuing discussions, the emphasis was on integration policy, nuclear arms and other international problems.

In its observations on European integration policy (24 March 1965) the Swedish Government stated that the growing volume of trade between the EFTA countries on the one hand and the EEC States on the other could hamper a future rapprochement between the two trading blocs. The Government spokesman pointed out that "the marked political aims of the EEC" was making it impossible for Sweden to apply for membership. Pending a solution of the problem of the European market, co-operation in EFTA would have to be still further stepped up.

Mr. Lange, Minister for Trade, was criticized for stating that the 5 per cent reduction in the United Kingdom's levy on imports had restored confidence. The Conservative leader Mr. Heckscher said that the opinions of a small group of ministers were of less importance than those entertained in trading and export circles. The Opposition therefore demanded that the Government should press for complete abolition of the levy. Mr. Heckscher also asked the Government whether it was completely familiar with the contents of the "London Declaration" which summed up the Labour Government's attitude to future co-operation in EFTA. Mr. Lange replied that he had not yet seen any evidence of a change in the U.K. Government's approach to this question - all he had come across was "surmise and speculation". Referring to the London Declaration, he added that he saw no reason to doubt "that all members were aware of the pledge of solidarity contained therein".

Opinion was divided during the debate as to Denmark's attitude. While the Government - on the strength of the trend of trade and of a declaration by Denmark - saw little danger of that country's swinging round towards the EEC, Mr. Heckscher drew attention to the EEC's "crumb by crumb" policy towards EFTA. In this connexion the Conservative leader referred to the negotiations with Austria and the integration debate in Denmark. Mr. Ohlin, Liberal, also pointed to the danger that would arise if Denmark - in order to protect its agricultural exports - were to change its policy. This would be a threat not only to political co-operation among the nordic countries but also to the existence of the common nordic market now emerging. The Swedish Government should therefore ensure that Denmark was compensated in EFTA for what it lost on the EEC market.

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The Swedish policy of neutrality ran like a thread through the debate on external affairs. Again and again it was pointed out that the political aims of the Common Market prevented Sweden from applying for membership. The Government, on the other hand, felt that it was far more important to strengthen Sweden's existing relations with EFTA. (Neue Zürcher Zeitung, 27 March 1965)

10. European talks during the Bonn visit of Mr. Gerhardsen, Norwegian Prime Minister

During the German-Norwegian talks held between 22 and 25 March 1965 discussion centred on European, defence and economic questions.

A conversation with the Federal Chancellor was followed by talks with Foreign Minister Schröder, Defence Minister von Hassel and a number of Secretaries of State. It is understood that Mr. Gerhardsen was particularly interested in German views on the Kennedy Round and on relations between the EEC and EFTA. As a member of the Free Trade Area, Norway was keen on building bridges between EFTA and the EEC, and Bonn, too, entertained certain hopes that the Kennedy Round would help to narrow the gap between the two trading blocs. It appears that agreement was reached on the need to restrict to the utmost any exceptions to the 50 per cent cut in customs duties in the Kennedy Round.

The Federal Chancellor referred to his oft-repeated statement that free Europe should not be allowed to degenerate into two distinct economic blocs. It was also pointed out that in the last four years Norway's exports to the Federal Republic had risen by 55 per cent. Wholly bilateral problems were not discussed. Agreement was also reached on questions of Atlantic defence. In his welcoming speech Dr. Erhard said: "In matters of common defence we know ourselves to be of one spirit" - to which Mr. Gerhardsen replied: "We are allies in NATO."

During a dinner given by the Federal Chancellor in honour of his Norwegian guest, Dr. Erhard stated he was happy to take part in "dispelling the shadows of the past and building not only a new life between our two peoples but also a new Europe." Dr. Erhard went on to speak of the drive towards European unification and of the efforts that were being made to build bridges between the EEC and EFTA. He expressed the hope that integration would eventually bring the two blocs together "once we have adopted the same commercial policy ideals, namely, unfettered international

trade and the lowest possible tariffs." He personally had hopes of the success of the Kennedy Round and promised Mr. Gerhardsen to do all that could be done in the context of European trade. In his reply Mr. Gerhardsen dealt with European economic problems and warned against "widening the cleavage in Europe."

The communiqué issued at the end of the talks dwelt on the need for closer co-operation between Norway and Germany in economic and European matters. At a press conference Mr. Gerhardsen again summed up his views, stressing the importance of the success of the Kennedy Round and cautioning against widening the gap separating the EEC and EFTA. In this connexion the Norwegian Prime Minister spoke of the concern aroused in his country by the EEC's lists of exceptions which included important products exported by Norway. He displayed satisfaction however with the Federal Government's assurance that it would take Norwegian concern into account in the EEC and GATT. Asked by a journalist for his views on President de Gaulle's conception of Europe, he replied that he felt it was vital that Europe should work hand in hand with the USA - "to this we attach crucial importance." (Frankfurter Allgemeine Zeitung, 24.3.1965; 26.3.1965; Neue Zürcher Zeitung, 25.3.1965)

11. The EEC and the African States

On 5 and 6 April a Congress was organized in Milan by the Common Market Statistics and Information Centre, acting in conjunction with the Italian Office of the EEC Press and Information Service. The theme of the Congress was "The economic aspects of the Convention of Association between the EEC and the AAMS."

Mr. Marazza, President of the CMSIC, said that the purpose of the Congress was to initiate a constructive and informed debate between businessmen to analyse and clarify all the problems involved in bringing about a more effective Italian participation in the economic development of the Associated African and Malagasy States. The Conference was attended by Ambassador Guido Colonna di Paliano, a Member of the EEC Commission, Mr. Mario Pedini, Vice-Chairman of the European Parliament's Committee for Co-operation with the Developing Countries, Dr. Umberto Stefani of the Economic Affairs Committee of the EEC, Dr. Hendus, Director-General for Overseas Development at the EEC, and many experts on legal, economic and political questions from the Community.

External relations

Mr. Mario Pedini introduced the general report, emphasizing in particular that the Convention was not only a document of outstanding importance which should be debated by the Community but that it was also a new type of organization between different peoples. The speaker explained the opportunities open to Italian firms to play a bigger part in carrying out the schemes financed. "The fact that firms of different nationalities have submitted tenders for contracts in the Associated States has led to lower prices being quoted and this has even reached 20 per cent, to the greater benefit of the African States. To operate effectively on the African markets, Mr. Pedini concluded, it was necessary to adjust initiatives and undertakings to local requirements.

Dr. Alfio Titta, Secretary General of CMSIC, outlined the institutional, economic, financial and technical aspects of the Association system, laying particular emphasis on the various principles of the Yaoundé Convention as compared with the Association system in force in the first five years of the EEC, based on Part 4 of the Treaty of Rome.

The report submitted by the CMSIC referred to the fact that \$730m. had been made available to the AAMS by the new European Development Fund for promoting trade and technical development. Attention was also drawn to the novel features of the new Convention whose aim, inter alia, was to rationalize and diversify production in the Associated States so as to shelter them, at least to some extent, from raw material price fluctuations and enable them to quote competitive prices on the international market.

The report was also discussed by a large number of businessmen who dwelt in particular on the practical problems arising for business undertakings operating within the framework of the Convention. (24 Ore, 6 April 1965)

12. Round-table conference on prospects for European political union

The prospects for political union in Europe, in the light of the recent French attitude, were discussed on 31 March 1965 in Rome at a round-table conference with the press.

The meeting had been organized by the Italian section of the European Press Association and it was attended by many leading figures from Italian economic and political spheres. All the

speakers were at one in hoping that, despite the uncertainty and recurrent obstacles, political union would be achieved in Europe as soon as possible.

Professor Galloni, Political Vice-Secretary of the Christian Democrat Movement recalled that European unity meant transcending obsolete instruments of diplomacy such as bilateral agreements of the "do ut des" type. Political unity could not come from summit agreements between Governments but from the supranational Economic Communities that directly reflected the economic and social expansion of the individual nations. Setbacks at the diplomatic level could not weaken the faith in European unity: they should, in fact, strengthen the resolve to hasten, in a realistic sense the unification process, by merging the Executives of the Economic Communities and then the Communities themselves.

Senator Paolo Vittorelli, a member of the Executive of the Italian Socialist Party, stated that Mr. Couvé de Murville's refusal to meet with the Foreign Ministers of the European Community countries, despite his agreement with the principle of the Conference itself, should be a lesson to the other five countries. They should be determined to continue.

Mr. Gaetano Martino, President of the National Council of the Italian Liberal Party and immediate Past President of the European Parliament, felt that the best way to achieve political union in Europe was fully to apply the Treaties of Rome since, in his view, all previous attempts, such as the Fouchet Plan and the Franco-German Treaty, had failed. On the other hand, he did not endorse the proposal to restrict elections by direct universal suffrage to Italian delegates to the European Parliament. In his opinion it was for the Community institutions to lay down uniform regulations for the elections of representatives from each country.

Dr. Aride Rossi, of the Executive of the Italian Republican Party, stressed his party's contribution to the European cause; while the customs dismantlement and the common agricultural policy had made appreciable progress, political unification had been held back in relation to the principles laid down in the Treaties establishing the Communities. He added that the time had come for a new drive on the part of the general public of the six countries to overcome the opposition to the bid for unity of "Little Europe".

Finally, Dr. Galluppi, Social Democrat, observed that the present deadlock not only affected political prospects but also economic prospects in that no appreciable progress had been made on medium-term economic policy, regional development policy and social policy. (Il Popolo, 1 April 1965)

13. Statement by Prince Bernhard on the Atlantic partnership

Addressing on 12 April the Economic Club of Detroit, Prince Bernhard of the Netherlands stated that the Atlantic partnership was both an ideal and a reality. It was precisely because of the controversial issues which this concept raised that it continued to bear the mark of an ideal.

According to the Prince, Atlantic partnership is the very basis of the existence of America and the West. The American Government has never had any doubt as to the need for close economic links with a united Europe. America and Europe cannot do without each other. In his view, one should not attach undue importance to European criticisms. On the contrary, they show to what extent these links have become closer.

The fact that very large American investments in Europe cause more criticism than in the past proves Europe's growing confidence in itself. As for the Netherlands, it remains open to new American industries. The Netherlands intends to prevent any decision that might harm the association between Europe and America or that might weaken NATO.

P a r t II

THE PARLIAMENTS

I. EUROPEAN PARLIAMENT

Work of the Committees in April

External Trade Committee (2)

Meeting of 30 April in Brussels: Attended by representatives of the High Authority of the ECSC. Examination and adoption of a draft working document drawn up by Mr. Carcaterra concerning those parts of the 13th General Report that fall within the competence of the Committee. Examination and adoption (discussion attended by representatives of the EEC Commission) of a draft Opinion on an EEC Commission proposal for setting up a common market organization for fruit and vegetables. Examination and adoption (discussion attended by the EEC Commission) of an Opinion concerning the EEC Commission proposal for a regulation governing certain processed products from the Associated African States and Madagascar. Examination and adoption (discussion attended by EEC Commission representatives) of a draft Opinion on the EEC Commission proposal for setting up a common market organization for fats. Examination and adoption (discussion attended by the EEC Commission) of a draft Opinion on the EEC Commission proposal for a regulation concerning special provisions for importing into the Community oil-seeds and seed-oils from the Associated African States and Madagascar as well as from Overseas Countries and Territories.

Agricultural Committee (3)

Meeting of 31 March and 1 April in Paris: Resumption and conclusion of the examination of the draft Report by Mr. Braccesi on a draft regulation on additional provisions for organizing the fruit and vegetables market. Examination of a draft Opinion by Mr. Estève, to be referred to the Internal Market Committee, on a draft directive concerning the application of laws of the Member States on farm tenancies with respect to farmers who are nationals of other Member States. Examination of a draft Opinion by Mr. Lousteau, to be referred to the Internal Market Committee, on a draft directive concerning the freedom for farmers who are nationals of one Member State and who become established in another, to move from one farm to another. Introductory Report by Mr. Luecker on the problems of stabilizing agricultural raw

material prices. Introductory report by Mr. Richartz on a draft regulation concerning a common organization of markets for fats.

Meeting of 27 and 28 April in Brussels: Exchange of views with Mr. Mansholt, Vice-President of the EEC Commission, on the EEC Commission proposals concerning the financing of the common agricultural policy, the Community's own revenue and increased powers for the European Parliament. General discussion on the Opinion of Mr. Vredeling, to be referred to the Budget and Administration Committee, on the EEC Commission proposals concerning the financing of the common agricultural policy, the Community's own revenue and increased powers for the European Parliament. Approval of a draft Report by Mr. Braccesi on the EEC Commission proposals concerning a regulation covering additional provisions for organizing the fruit and vegetables market. Approval of a draft Opinion by Mr. Estève, to be referred to the Internal Market Committee, on a draft directive concerning the application of laws of the Member States on farm tenancies with respect to farmers who are nationals of other Member States. Approval of a draft Report by Mr. Lousteau, to be referred to the Internal Market Committee, on a draft directive concerning the freedom for farmers who are nationals of one Member State and who become established in another, to move from one farm to another. Examination and approval of a report by Mr. Breyne on a draft regulation on glucose and milk products. Examination and approval of a draft Opinion by Mr. Dupont, to be referred to the Committee for Co-operation with Developing Countries, on a regulation on the system to apply for certain processed products originating in the Associated African States and Madagascar or in the Overseas States and Territories.

Social Committee (4)

Meeting of 5 April in Brussels: Examination of the 13th General Report and the Political Report of the High Authority of the ECSC. Examination of the Note by Mr. Van Hulst on the effects of technical progress on productivity, wages, hours worked and employment.

Meeting of 13 and 14 April in Brussels: Attended by the three Executives. Examination of the draft report by Mr. Troclet on the implications for the Community's social policy of the forthcoming merger of the Executives. Exchange of views with delegations from the European branch of the International Conference of Christian Trade Unions and the International Confederation of Free Trade Unions on the merger of the Executives, the implementation of the EEC Treaty, Article 118 (Social harmonization) and the organization at the European level of joint discussions

for different sectors of the economy. Adoption of the draft report by Mr. Tomasini on an amendment to Regulations Nos. 3 and 4 concerning social security for auxiliary staff of the European Communities.

Meeting of 30 April in Brussels: Adoption of the draft report by Mr. Troclet on the merger of the Executives. Examination of the draft report by Mr. Pêtre on the social sections of the 13th Report of the High Authority. Examination of the draft report by Mr. Nederhorst on the implementation of Article 118 of the EEC Treaty.

Internal Market Committee (5)

Meeting of 26 and 27 April in Brussels: attended by the EEC Commission. Examination and vote on the draft report by Mr. Mr. Illerhaus on the EEC Commission proposal to the Council on a directive concerning the freedom of establishment and the freedom to supply services for non-wage-earning activities in electricity, gas, water and health services (Branch 5 C.I.T.I.). Preliminary examination of the EEC Commission proposal to the Council on a directive concerning the indirect taxation of capital concentrations (Rapporteur: Mr. Seuffert). Further examination (at a meeting attended by the Euratom Commission) of Euratom's proposal to the Council amending the provisions of Title II, Chapter VI of the Euratom Treaty. Appointment of Mr. Armengaud as drafter of the Opinion of the Internal Market Committee on an EEC Commission proposal to the Council on a regulation concerning a standard definition of the term "origin of goods". Examination of those parts of the 13th General Activity Report of the Euratom Commission that came within the purview of the Internal Market Committee. Examination (at a meeting attended by the EEC Commission) and a vote on the draft report by Mr. Tomasini on an EEC Commission proposal to the Council on a second directive concerning the approximation of the legislative and administrative provisions and regulations relating to pharmaceutical specialities.

Economic and Financial Committee (6)

Meeting of 29 April in Brussels: attended by Mr. Hettlage, a member of the High Authority. Exchange of views on the draft Opinion drawn up by Mr. Kapteyn on those parts of the 13th General Report and the political report of the High Authority that fall within the Committee's competence. The Committee also dealt with the draft Opinion drawn up by Mr. Bousch for the Internal Market Committee on the proposal of the EEC Commission concerning a directive on indirect taxation on capital hoarding.

Committee for Co-operation with Developing Countries (7)

Meeting of 13 April in Brussels: Presided over by its Vice-Chairman, Mr. Carcassonne. Preliminary discussion on the report by Mr. Angioy on an EEC Commission proposal for a regulation governing certain processed products from the Associated African States and Madagascar and from the Overseas Countries and Territories.

Transport Committee (8)

Meeting of 27 April in Brussels: attended by a representative of the High Authority of the ECSC. Exchange of views on those parts of the 13th General Activity Report of the ECSC that fall within the competence of the Transport Committee. Exchange of views with the representative of the EEC Commission on compromise proposals regarding the tariff policy.

Energy Committee (9)

Meeting of 12 April in Brussels: Examination of those parts of the 13th General Activity Report of the High Authority that fall within the competence of the Committee. Examination of a draft Opinion on this matter (drafter: Mr. Bousch). Examination of a proposal to modify the provisions of Title II, Chapter VI, of the Treaty establishing the European Atomic Energy Community.

Research and Cultural Affairs Committee (10)

Meeting of 8 April in Brussels: Attended by the Euratom Commission. Exchange of opinions on the statement made in the European Parliament on 23 March 1965 by Mr. Chatenet, President of the Euratom Commission, on the problems of revising the second Euratom Five Year Research Programme. Examination of a draft resolution by Mrs. Strobel on the creation of a European youth organization and appointment of a Rapporteur.

Meeting of 21 April in Luxembourg: Attended by the High Authority to examine and approve a draft Opinion drafted by Mr. Friedensburg for the General Rapporteur of the European Parliament, Mr. Thorn, on technical and economic research in the ECSC. Exchange of views on the draft resolution submitted by Mr. Bernasconi on the introduction of a "European sports certificate".

Health Protection Committee (11)

Meeting of 12 April in Brussels: Adoption of the draft report by Mr. Santero on a proposal for a directive of the Euratom Commission to the Council concerning the revision of the basic provisions concerning the health protection of the population and workers against ionizing radiation hazards; exchange of views with the EEC Executive on a draft recommendation to the Member States concerning medical supervision of workers exposed to special hazards, and appointment of Mr. Fohrmann as rapporteur for this problem; exchange of views with the High Authority on those parts of the 13th Report and the political report of the ECSC that concern health protection and safety at work.

Meeting of 28 April in Brussels: Further exchange of views with the EEC Executive on the medical supervision of workers exposed to special hazards; adoption of the draft opinion by Mr. Bergmann on the High Authority's activities in connexion with hygiene and safety at work, for the information of the General Rapporteur.

Budget and Administration Committee (12)

Meeting of 29 April in Brussels: attended by representatives of the EEC Commission. Examination and adoption of a draft interim report by Mr. Vals on the general problems of own revenue and the powers of the European Parliament in connexion therewith.

Legal Committee (13)

Meeting of 26 April in Brussels: Adoption of the report by Mr. Dehousse on the precedence of Community law over the laws of Member States.

II. NATIONAL PARLIAMENTS

a) Italy

1. Draft law on integrating the Italian representatives to the European Parliament within the Italian parliamentary body

The following draft constitutional law was submitted to the Chamber of Deputies by a group of Italian Members of Parliament including Mr. Scelba, Mr. Pedini, Mr. Scarascia and Mrs. Gennai Tonietti - members of the European Parliament:

"The number of 630 Members stipulated in Article 1 of the Constitutional Law of 9 February 1963, No. 2, which amended Article 56 of the Constitution, and the number of 315 Senators stipulated in Article 2 of the Constitutional Law of 27 December 1963, No. 3 which amended Article 57 of the Constitution, are to be increased respectively by 24 Members and by 12 Senators, who constitute the Italian delegation to the European Parliament."

The introductory report, which again drew attention to the need for a European Parliament elected on the basis of an authentic poll, explained the purpose of this draft law, namely to establish one of the essential prerequisites for European elections, pending effect being given to the articles in the Community Treaties that provide for elections by direct universal suffrage in accordance with a uniform procedure in all Member States.

In effect, once the Articles of the Constitution that stipulate the number of Members in the Chamber of Deputies and in the Senate of the Republic have been amended so as to include the 24 Members and 12 Senators forming the Italian delegation to the European Parliament, it will subsequently be easier to lay down in an ordinary law the details of the procedure for electing these representatives.

Such an ordinary law, based on a draft convention already proposed by the European Parliament, will then be able to define the degree of compatibility between the office of national Member and European representative, bearing in mind the fact that the specific and exclusive office of the 36 members concerned is laid down in the provisions of the proposed constitutional law; an agreement between the Governments on elections by universal suffrage is an assumption that is also taken into account here.

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In conclusion it may be said that the draft law tabled is an attempt to provide the constitutional basis which is indispensable for inaugurating an authentic European Parliament. (Proceedings of the Chamber of Deputies)

2. Debate in the Chamber of Deputies on Italy's European Policy

On 31 March, at a meeting of the Committee for Foreign Affairs of the Chamber of Deputies, Mr. Fanfani, the Foreign Minister, outlined the course followed by the Italian Government in its foreign policy, with particular reference to problems touching on the progress of economic integration in Europe.

He pointed out that the common market was developing faster than anticipated in the Treaty of Rome. This was illustrated by the progress made on customs dismantlement and the common agricultural policy. The Foreign Minister indicated that the Six Governments had agreed that from 1 January 1966 the Executives of the three Communities would be merged in a single Commission. Mr. Fanfani went on to draw attention to the recent decision by the EEC to propose to the Governments the appropriation to the EEC of liquid assets deriving from all the financial resources accruing to the Community. The use of these funds would be controlled by the European Parliament which in this way would have its powers increased; this would give added weight to the need for the Parliament to be elected directly by universal suffrage by the peoples of the countries of the Community instead of being appointed by the national parliaments. Turning then to the action taken by the Italian Government to speed up European integration, the Foreign Minister recalled that Italy had always endeavoured to achieve European political unity and he referred in this connexion to the meeting of foreign ministers that Italy had suggested be held in May.

This initiative, which was readily welcomed by the other partners met, however, with strong opposition on the part of the French Government which while agreeing in principle to the proposed meeting did not feel able for the present to take part, as it considered that the time was not yet ripe for a revival of political co-operation.

The Foreign Minister concluded by saying that Italy would, for her part, continue through diplomatic channels and at every suitable moment, her talks with the other five Governments for a political revival which remained both feasible and necessary.

Mr. Gaetano Martino (Liberal) drew the Committee's attention to the present rôle of the European Parliament which was not such as to provide the Community with any genuine democratic machinery. The legislative function had (as a result of an arbitrary interpretation of the Treaties of Rome) been vested solely in the Council of Ministers and the regulations they decided upon became immediately and directly applicable in every country of the Community in a way that had a direct bearing on key branches of the national economies. There was no effective control over the financial and budgetary functions of the Community institutions, especially now that, in view of the merger of the Executives, the "Committee of Four Presidents", through which the Parliament had been able to express its views, was to be wound up. This being so, Mr. Martino went on, centres of power were being created and consolidated in Brussels that were independent, uncontrolled and uncontrollable. This was wholly incompatible with the most elementary rules of democracy and the fundamental principles of a sovereign State. In conclusion Mr. Martino called upon the Foreign Minister to take all the necessary measures to avoid any untoward consequences following from the proposed merger of the Community Executives.

Mr. Lombardi (Socialist) raised the question of the Italian Members of the European Parliament. The present delegation was (for quite chance reasons) below par and not fully representative in that some of its Members were no longer Members of the Italian Parliament; he called for a suitable reappraisal and solution to this problem.

Mr. Cariglia (Social Democrat) agreed with Mr. Lombardi and reaffirmed the position of the Social Democrats on elections to the European Parliament. This implied the election by direct universal suffrage of representatives of the peoples of Europe. Until this was achieved, Mr. Cariglia concluded, and until the Italian Government took the necessary steps for this purpose, every endeavour would have to be used in order to vest the European Parliament with wider powers than it enjoyed at present.

Mr. Alicata (Communist) stressed the need for the Italian representatives to be elected without absurd discrimination being applied.

Mr. Pacciardi (Mixed Group) criticized France's attitude towards the other Community countries; he stated that European unity could only come from a common approach on economic, foreign and defence policies.

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Mr. De Marsanich (neo-Fascist) dwelt in particular on the problems of European integration and ways of achieving it. France's attitude was actuated by her desire to free Europe from American hegemony, while the other European theories - which hinged on the accession of the United Kingdom and on keeping France aside - were, in his opinion, disregarding the aims of dignity and independence of the individual States, as well as those of Europe as a whole.

Mr. La Malfa (Republican) speaking of the impediments to political union in Europe made a distinction between two sources of difficulties - those inherent in relations between the European Community and other countries and those relating to the European institutions. While there was a broad measure of agreement on Europe's external relations there remained a great deal of uncertainty about the institutional structure of the European Community. Mr. La Malfa concluded by asking whether the present attitude of the French Government towards its Parliament - which was increasingly being reduced to a mere symbol - was not similar to its attitude towards the European Parliament; Mr. La Malfa suggested that this attitude was a prime cause of the gradual weakening of the European Parliament.

Mr. Pedini (Christian Democrat) expressed his regret about the fact that France had once again dashed the general hopes and expectations by not supporting the move by the Italian Government suitably to relaunch the problem of European political integration. In his view it was impossible to build Europe without the active co-operation of France and he drew the Committee's attention to the need to persevere tenaciously along the lines laid down by the Government in order to remove the obstacles still standing in the way of the achievement of political unity in Europe. Referring to the problem of the powers of the European Parliament, Mr. Pedini felt it was necessary to give effect to the provisions of the Treaties of Rome whereby the representative bodies of the Community would have vested in them the powers of the national parliamentary assemblies. He trusted that the initiative would be taken to solve at the Community level the scientific and educational problems of Europe among which he included the creation of a European University and the mutual recognition of academic qualifications.

Mr. Fanfani, the Foreign Minister, said in reply to the various speakers, that he agreed it was essential not to delay vesting the European Parliament with wider powers than those it now had and above all to make it possible for the European Parliament to exercise all those powers entrusted to it under the rules of the Community Treaties. Mr. Fanfani said that the Italian attitude had always been in favour of strengthening the

European Parliament, as recently evidenced by Mr. Saragat's proposals to relaunch the process of European political integration. In this connexion, he recalled that one of the Italian amendments to the Fouchet plan was in fact directed at giving the European Parliament decision-taking powers and prerogatives; this illustrated the constant efforts being made by Italy to achieve the Committee's objectives. With reference to the signing of the instruments for the merger of the Executives, the Foreign Minister stated that he regarded as feasible the proposal to add to these instruments a protocol or statement of intention to the effect that the European Parliament should have the necessary powers for adequate development of the Community structure.

The Foreign Minister concluded his speech by saying that the problem of Italian representatives was solely within the province of the President of the Chamber, the President of the Senate and the Parliamentary groups; he hoped that a solution would be arrived at which was both compatible with the Constitution and would also ensure that the delegation in question was as representative as possible. (Bulletin of the Parliamentary Committees, 31 March 1965)

3. Reply by the Italian Foreign Minister to a question concerning the strengthening of the powers of the European Parliament

Mr. Pedini (Christian Democrat), Member of the European Parliament, had put a written question to the Italian Foreign Minister, to ascertain whether the Government intended to make further concrete proposals to the EEC Council of Ministers with a view to increasing the powers of the European Parliament.

The Italian Foreign Minister made the following reply: "The Italian Government, within the framework of Community work on the merger of the EEC, Euratom and the ECSC, had constantly stressed the fact that the merger of the three European Communities, which is to be achieved by 1967, should take into account the need to strengthen and broaden the powers and prerogatives of the European Parliament, with particular reference to the supervision of budgets and Community relations with third countries.

The Italian Government regards it as essential that the development and achievement of European economic integration should take place in a community whose Parliament should be in a position to exercise efficient and democratic control of the activities of the Community's Executives. This was the Italian

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Government's aim when it introduced in February 1964 in Brussels a proposal to the effect that - from 18 January 1966 - the number of Members of the European Parliament should be increased from 142 to 284 and that half of these members should be elected (as an initial step) by direct universal suffrage.

Within the framework of the merger into a single Commission of the EEC Commission, the Euratom Commission and the High Authority of the ECSC - a merger which will be carried out within the current year - it was agreed to improve relations and co-operation between the European Parliament, the Council and the Commission. It was also agreed that should the European Parliament suggest any amendments to the draft budgets of the Community, these would be re-examined by the Council, not as a whole but chapter by chapter. The principle was accepted, at the request of the Italian Government that the problem of strengthening and broadening the powers and prerogatives of the European Parliament, as well as the problems of electing its members by direct universal suffrage, would be examined and solved at the same time as the problem of the merger of the three Communities. The Italian Government earnestly hoped that the merger would be achieved in 1967, in accordance with the programmes for speeding up the economic and political integration of the Six." (Chamber of Deputies; Parliamentary Proceedings)

b) Netherlands

1. Reply to a written question concerning a Community policy on occupational training

In reply to a written question by Mr. Nederhorst (Labour Party), the Ministers concerned stated that the general principles for applying a Community policy on occupational training in the EEC - as adopted by the Council of Ministers of the EEC on 2 April 1963 - tally on the whole with the principles at the root of the present policy of the Netherlands. The Netherlands has, moreover, taken an active part in defining these principles. The new Consultative Committee on occupational training was apprised of draft action programmes concerning a common policy for general and agricultural occupational training. No action could be taken on the decision of the Council of Ministers defining the general principles until the action programme had been adopted by the EEC Commission.

With regard to the Community programme for exchanging young workers in the Community, the Minister for Social Affairs stated in reply to Mr. Nederhorst's question that the representatives of Member States had reached agreement on the procedure and on a number of specific points for the implementation of their decision of 8 May 1964. The Minister added that the drafting of the decision of the representatives of Member States has reached a sufficiently advanced stage for the funds to be allotted, if need be, during the current financial year.

Mr. Nederhorst had also asked the Minister for Social Affairs for further details on the progress made in applying the principle of equal salaries for male and female workers. The Minister stated that the Government's report on the progress made in applying the principle of equal salaries for male and female workers had been put before the EEC Commission. The Minister was not sure whether the Government was until recently the only one that had not yet submitted its report.

In reply to a question by Mr. Vredeling (Labour Party) concerning the statement made on 9 December 1964 by the Foreign Minister to the EEC Council on the question of strengthening the powers of the European Parliament, Mr. Marijnen, interim Foreign Minister, stated that this declaration was given the widest possible publicity, through diplomatic channels and through the press. This also applied to the motion of the Second Chamber of 2 February 1965 concerning the budgetary powers of the European Parliament. (Annex to the Debates in the Second Chamber, Questions Nos. 201, 244 and 256, 1964-1965 Session)

2. Introduction of the report on the implementation of the EEC and Euratom Treaties in 1964

In a letter addressed to the Second Chamber, the Prime Minister, Mr. Marijnen, outlined the Government's point of view whereby there was nothing against a further development of the EEC as the present background of divergent views is not necessarily such as to jeopardize its progress.

The Government does not feel that the lack of unity in views concerning major political problems of Atlantic co-operation, particularly regarding relations with the United States would condemn the EEC to political immobility or seriously slow down its progress.

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The letter stressed the enormous progress achieved by the EEC over the past few years, in spite of divergent political views. When examining all the EEC activities, one finds that last year was particularly fruitful for the Community and that, from the point of view of Dutch interests, the results obtained could generally be regarded as satisfactory.

Events in 1963 and 1964 should not lead to the conclusion that political opposition over the future of Europe and its position in the Atlantic Alliance is a negligible factor for the future of the EEC. Furthermore, the Government believes that it would be mistaken to regard co-operation between Member States of the EEC as a mere matter of economic interest or to judge such co-operation only from the point of view of the economic advantages it provides.

The Government is concerned about the evolution in the situation concerning the revision of Euratom's second five-year programme. In its opinion, the radical change advocated for the research and investment policy is liable to disrupt the essential continuity in the scientific activities and to render superfluous the extension of the Common Research Centre. (Letter from the Prime Minister; 1964-65 Session, 12 April 1965)