

EUROPEAN PARLIAMENT

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P a r t I

DEVELOPMENT OF EUROPEAN INTEGRATION

I. GENERAL PROBLEMS

Chronological summary

- 4 February Federal Economic Minister Schmücker's address to the EEC Council on its objectives for 1964.
- 10 February Lecture in Naples on the European University.
- 15-17 February Erhard-de Gaulle talks in Paris, mainly devoted to European questions.
- 18-21 February Official visit to Paris of Mr. Segni, President of the Italian Republic, and Mr. Saragat, Minister for Foreign Affairs.
Talks on the possibilities of a European political revival.
- 24-25 February Session of the EEC Council in Brussels. Debate on the merger of the Executive organs of the three Communities. No decision on location of seat of the Community.
- 25-26 February "Europa" Congress of the SDP Group of the Bundestag at Bad Godesberg.
- 28-29 February Meeting in closed session of the FDP Group of the Bundestag at Baden-Baden; consultation on European policy.

1. Professor Hallstein on problems of European unity

In an interview on 15 February 1964 with the Hamburg newspaper "Die Welt", Professor Walter Hallstein, President of the EEC Commission, outlined in detail his views on the economic and political unification of Europe.

Professor Hallstein described the steadily advancing economic integration of Europe as an "unparalleled work of peace". What Caesars had once striven to achieve by the sword was now decided by voluntary agreement between Europeans who had replaced force by a controlled process of integration extending over many years and calling for patience and resolution.

On political union, Professor Hallstein said that the European Economic Community was "not just a preliminary step towards political union but already a part of it". He had however never held the view "that the developments known as political union would occur automatically as a result of the EEC's activities". For this it was essential that a political will was brought into play.

The Commission was naturally in favour of any advance towards political unity. It had always regarded the promotion of political unity as the essential aspect of economic integration and taken the view that progress towards political unity should never be allowed to weaken the bonds of close solidarity within the European Economic Community, as this would be a grave political error. The structure of the Communities represented beyond doubt the most advanced aspect of the modern European scene. Political union should constitute an advance towards, and not a step back from European unity.

With regard to the prospects of enlarging the EEC to embrace Austria, Denmark and other countries, Professor Hallstein considered that in general the geographic extension of the existing European internal market to neighbouring countries was both possible and desirable, and remained one of the objectives of economic integration. Considerable ground had been gained in the negotiations with Austria, and it was hoped to make further progress in the near future. The close and reliable contacts that existed with Denmark did not serve the immediate purpose of establishing a formal and permanent relationship but, for the time being, to resist in a practical way any danger of separation and estrangement".

In reply to a question regarding the prospects of a merger of the three Executives and of the rights that should be conferred

on the European Parliament, Professor Hallstein stated that the Commission had greatly welcomed the prominence given in the Council to the view, which the Commission had always advocated, that the first step should be to merge the Community at the institutional level, and that only then should attempts be made to effect a merger of the Communities or of the Treaties. Such a sequence of events was not only a practical possibility but also - as had been proved by examples in the national sphere - of advantage; for in the practical application of the different Treaties, the combined Executive would come up against the question as to whether any difference in the legal basis or in the provisions of two Treaties was justified by an actual difference in the material factors they were designed to govern, or whether it was more the result of different historical stages of integration.

The Commission had always advocated the strengthening of the powers of the European Parliament. The Parliament had submitted proposals - which the Council had examined - regarding legislation, budget matters and negotiations with foreign powers. The Commission shared the European Parliament's view that it would suffice if the combined Executive had a maximum of nine members. This represented "the optimum and maximum membership" if it was desired to prevent the Institution from tending to acquire a senatorial character.

Questioned as to the Commission's view on the prospects held out by the forthcoming Kennedy Round, the President of the EEC Commission replied that the Community would conduct the negotiations on constructive lines and on a basis of complete reciprocity. Following the decisions of the Council of Ministers of 23 December 1963, there were good prospects for the success of the tariff negotiations. (Die Welt, 15 February 1964)

2. Dr. Erhard calls for a common political will

During an official visit to Stuttgart on 24 February, Dr. Erhard stated that "in spite of the difficulties that are being encountered in rebuilding Europe, there is no point in giving way to bewilderment. Europe will come - if not at the first attempt, then at a later one".

Dr. Erhard went on to speak of the importance he attached to the building of a Europe animated by a common will, even if outwardly it lacked the desired constitutional form. At the moment the picture presented by Europe was not a particularly hopeful one. In spite of the progress made in economic integration, it would first be necessary to tackle the crucial problems

European integration

in order that the political seed could develop into a political entity. Uniform development of the economy, however, would entail encroachments on the political sovereignty of individual states. "It is impossible," said the Chancellor, "for each country to do as it likes. If we in Europe fail to unite in a common resolve, then our efforts are doomed to fail." Franco-German friendship was a factor of basic importance; nevertheless there were differences of view between the two governments. If President de Gaulle believed that the dualistic domination of the world by two power blocs was undesirable and should be resisted by establishing a pluralistic system, then the strengthening of Europe should be given preference over relations with China.

At a Christian Democratic congress in Offenburg, Dr. Erhard once again called for the development of a political will since the problems to be faced "cannot be solved purely with the systems that we have created." In this connexion, he referred to the internal stability of currency - a question that had been tackled far more effectively and successfully in the Federal Republic than in other countries, where both costs and prices had shown a spectacular rise. "If order is to be established," Dr. Erhard went on to say, "and regardless of whether the European framework narrows or widens, it is essential to introduce an organized budget policy, an appropriate credit policy..... I should be delighted if other countries would realize this and display a measure of internal discipline. We actually represent the organized core of Europe and want to remain so in the hope that our example will suffice to bring about a common line of action." If Europe failed to acquire a distinctive political character and will, then the road to European integration would be increasingly beset by tension. The Chancellor believed, however, that the natural course of events would lead the people of Europe to the right path, even though some might not join in wholeheartedly. "We shall have to follow this path as only by pooling our entire forces can we hope to achieve what the future requires of us. This is why I am filled with considerable optimism about Europe." (Frankfurter Allgemeine Zeitung, Die Welt, 25 February; "Union in Deutschland", Information Service of the CDU/CSU, 27 February 1964)

3. Mr. Schmücker, Federal Minister for Economic Affairs, on the objectives of the EEC for 1964

On 4 February, Mr. Schmücker explained to the Council of the EEC the Federal Government's views regarding the objectives to be pursued in 1964. First and foremost, he referred to the need to extend the EEC's relations with the outside world. The Federal Government attached particular importance to the

Kennedy Round; the EEC would have to display a marked willingness to co-operate both within the Community and with the other parties in the negotiations in order to make an important contribution to the achievement of the Atlantic partnership and the extension of intra-European trade relations. Success in the GATT negotiations also appeared to raise the question as to whether the EEC should not once more step up the dismantling of internal tariffs by increasing the cut in duties due to take place at the beginning of 1965 from 10 to 20 per cent.

Contacts between the EEC and the United Kingdom within the Western European Union should be intensified with a view to achieving the most concrete results possible. Close contacts should also be sought with the other EFTA countries, and negotiations with Austria should be pushed ahead with this year.

In the German view, economic union should proceed hand in hand with the customs union. Certain sectors had lagged behind and would have to be rapidly brought up to date during the next few months. In Bonn, these were considered to comprise the co-ordination of trade cycle policy, the practical application of cartel practice, the approximation of tax systems with a view to abolishing internal tax frontiers simultaneously with customs frontiers, the establishment of bases for a common energy policy, the formulation of a common transport policy and, particularly in the case of agriculture, the elimination of internal distortion of competition. The Federal Government was also ready to play an active part in co-ordinating the medium-term economic policy.

Mr. Schmücker went on to say that in the German view the time had now come to look more closely into the question of the overall financing of the EEC out of Community revenue as otherwise the burden would be unfairly distributed as between Member States. Moreover, the efforts being made to reinforce the institutional aspect of the Communities should be vigorously pursued. The merger of the Communities - as the first step towards the merger of the Executives - would greatly help to enhance the dynamism of the Communities. The Federal Government considered it of great importance that the work in progress would enable the merger to take place on 1 January 1965. It was also important to strengthen the position of the European Parliament so as to ensure that the Community developed on democratic lines and did not become "increasingly a matter for specialists". Despite all the difficulties encountered in this sector, partial results were already both feasible and desirable. (Bulletin of the Federal Government's Press and Information Service, 6 February 1964)

4. Dr. Mansholt and Mr. Couve de Murville on a new political union

The Vice-President of the EEC stated on 17 February in Rome, where he was guest of honour at the constituent assembly of the Italian Committee for European Democracy, that no steps towards a new political union should be taken so long as opinions differed on the essential points of European policy, e.g. the position of the United Kingdom, the forthcoming tariff negotiations with the United States and the democratization of the European institutions.

A Council of Heads of EEC Governments, as proposed for a political union, could take unanimous decisions only. This would mean a backward step, particularly for economic and social matters, as in these fields the Council of Ministers of the EEC is gaining increasing competence to take decisions with a qualified majority of votes.

Mr. Mansholt stressed the desirability and necessity of strengthening the present European organizations. The European Parliament must be given the powers of a real parliament, all the more so as the newly created powers are being withdrawn from the national parliaments without an adequate democratic control on a European level taking their place. In this connexion, the speaker mentioned the possibility of giving to the European Parliament the right of control over the Community budget. This would not entail any amendment of the Treaty: a simple agreement between the six governments would suffice.

Mr. Mansholt further advocated the United Kingdom's accession to the Community. To achieve this, the Community must grow stronger, that is to say, while waiting for the accession of the United Kingdom, Europe should not be "kept in cold-storage", but it should intensify the economic integration and democratization of its instruments. "Only a successful Europe would be of interest to the United Kingdom", added the Vice-President of the EEC Commission.

Relations between the EEC and the United States called for clear ideas and long-term aims going beyond simple trade agreements, particularly with regard to responsibility for developing countries and the stabilization of raw material prices. However, Mr. Mansholt concluded, we shall also have to stand up against those who aim at a protectionist and authoritarian Europe. The 'Europe of sovereign states' as strived after by France, would be a backward step. (Nieuwe Rotterdamse Courant, 18 February 1964)

In an interview given to the *Corriere della Sera*, Mr. Couve de Murville, the French Foreign Minister, answered a question about the political union of Europe as follows:

"We have built or rather begun to build a Europe of the Six. It has proved unbelievably strong. Indeed, it has overcome the obstacles and trammels that stood in its way. Suffice it to recall the agreement on agricultural policy concluded between the Six in December 1963. The Europe of the Six is much more united and solid than some governments think. Obviously the construction initiated at the economic level will have to be extended to the political level. It is generally believed that the reason for, or the cause of, the failure to achieve political unification up to now has been due to a difference or a clash of theories. For example, the concept of supranationality and integration has been misrepresented. In all this discussion there has been a fundamental mistake. In fact no one today is in a position to foretell whether united Europe will be a confederation or a federation. But there are two points on which one cannot fail to be in agreement: 1) it would be impossible to cancel out or cause to disappear the individual European peoples in one fell swoop; 2) it is necessary to begin at the beginning and not at the end."

The French Minister was then asked why his country had opposed the United Kingdom's accession to the European Community. Mr. Couve de Murville stated:

"We have always thought of making Europe with the countries that want to make it. We never said that we did not want the United Kingdom to take part. We said that the United Kingdom would have to accede under the same conditions as the other partners, accepting the common rules without any preference or exception. The United Kingdom did not accept these rules and we acknowledge this non-acceptance. Now the United Kingdom stated it was no longer applying for membership of the European Community. Moreover, we do not know what its next government and what its attitude to Europe will be. If the development of the EEC is now to be subject to the United Kingdom's accession, this would simply mean that we do not want to go forward. In that case one would have to accept all the consequences."

The interviewer then pointed out to Mr. Couve de Murville that France's attitude, with its overtones of nationalism, gave rise to concern, particularly in an era of world and community concepts. The Minister replied:

"These are words, mere words. In fact no government, even if it describes itself as community or world-minded, will give up defending its national interests. It was seen in Brussels how and to what extent these interests were to the fore and defended to the hilt by each government. All this is natural. National feeling is one thing, nationalism is another. The latter is hegemonic and aggressive but national feeling is not to be despised. Moreover, the independence of peoples results from this feeling." (Corriere della Sera, 14 February 1964)

5. Mr. Spaak discusses the construction of Europe

On 27 February, at the inauguration of the Institute of European Studies of the Free University of Brussels, Mr. Spaak stated inter alia:

"I have little hope at present of seeing any compromise accepted between the two trends known as: "Europe of the sovereign States" and "supranational Europe", or rather "Europe with or without institutions". My suggestion at the end of last year in connexion with the possibility of creating a commission modelled on the Hallstein Commission but with cultural, military and political competence, does not seem to me to be likely at present to win the support of the six partners. It is therefore necessary to fall back on going the longest way round, to this idea of historical determinism according to which an ever greater degree of economic involvement will naturally throw up political structures. In the meanwhile, what one must do is no doubt to try and increase as much as possible the authority and the weight of the Hallstein Commission whose rôle recently has been decisive." (Le Soir, 28 February 1964)

6. Merger of the European Executives

a) Standpoint of the FDP

Commenting on the debates of the EEC Council on a merger of the three European Executives, the Press Service of the Free Democratic Party of West Germany remarked that these would "throw light on whether, and to what extent, a course could already be set for a policy that would steer Europe out of the doldrums in which it has languished for over a year". For the dovetailing of the Councils of Ministers and the officials and budgets of the Communities gave rise to a number of political issues whose solution would presumably influence the course of the entire work of European unification.

"Even in the case of the first problem - that of the number of members of the High Commission of the ECSC, EEC and Euratom - the decision to be taken should not be arrived at purely on technical grounds. The view recently expressed by Professor Hallstein in an interview with "Die Welt" that nine was the "optimum and maximum figure for membership" can certainly be regarded as valid if it is desired to avoid an institution of a senatorial character. Of equal importance for the political climate in the merged European Community appeared to be whether the total votes of the larger countries (the Federal Republic of Germany, France and Italy) and of the smaller countries (Belgium, Netherlands and Luxembourg) stood at a ratio of 6 : 3 for a membership of nine, or of 9 : 5 for a membership of fourteen as desired by the smaller European states.

If this numerical point was of importance because at times the smaller countries felt themselves anyhow outvoted by their bigger partners, the merging of the three Executives would raise an issue that was in general of fateful importance for the future of Europe - that of the legislative powers of the European Parliament, which in political circles in Brussels was regarded as the point on which the debate on the merger hinged. As was known, France has so far shown a certain reserve in discussions on parliamentary control of the European Executives. Although at a recent press conference General de Gaulle had spoken somewhat condescendingly regarding the European Commissions and had asserted that "real executive power and responsibility for taking decisions rested only with the governments", it could not be denied that, in the economic sector at least, a sort of super-government which increasingly deprived national governments and parliaments of power in this field, while remaining free from effective parliamentary control, had long since come into being in Europe.

This development would naturally present a far greater problem after the merger of the three European Executives and the resultant concentration of power. There might well be important reasons why the prospect of a High Commission exempt from control did not arouse the same concern in Paris as in other European capitals. Bonn and the other European states would have to insist, however, that the proposals already submitted by the Federal Government and Luxembourg for widening the sphere of activities of the European Parliament were not only discussed but also put into effect as rapidly as possible.

In view of the fact that these proposals were of an exceptionally modest nature and merely provided for a measure of obligatory consultation, the strengthening of budgetary powers, and control over the EEC Agricultural Fund, it should be possible,

given a little good will, for the Six to agree to invest the European Parliament with minimum rights. Otherwise, the European governments would undoubtedly be well-advised to refuse to agree to a merger of the three European Executives." (Freie Demokratische Korrespondenz, 24 February 1964)

b) Socialist reservations with regard to the merger of the Executives

In a speech delivered in Bad Godesberg on 27 February, the Chairman of the Socialist Group of the European Parliament, adopting a similar line to a proposal by the Liaison Office of the Socialist Parties of the Community, argued that the single Commission of the European Communities should consist of 14 to 15 members "so as to ensure balanced representation of all democratic forces and of the smaller Member States". An unduly low membership would constitute a grave danger to permanent democratic control of the Commission's activities and to the European Executive's contacts with the major political forces of the Community. On the other hand, bureaucratic forces not responsible to the European Parliament would become more firmly entrenched.

The Chairman of the Socialist Group went on to say that he would not like to see "the merger of the three Executives weakening instead of strengthening the powers of the European Parliament. The uncompensated withdrawal of the budgetary rights of the European Coal and Steel Community had for example led to a weakening of these powers". He also felt that the Secretariat of the European Parliament "could only function efficiently if it were not separated geographically from the common Commission of the European Communities. He warned the Governments against reaching a decision on the seat of the Secretariat without taking the wishes of the European Parliament into account." (Sozialistische Europa-Korrespondenz, No. 7, 1964)

c) Standpoint of the Luxembourg Government

The Council of Ministers met in Brussels on 25 February under the chairmanship of Mr. Paul-Henri Spaak. Problems relating to the merger of the European Executives were discussed. On this occasion, Mr. Eugene Schaus, Luxembourg Minister for Foreign Affairs, informed the press of his government's point of view:

"1) A merger of the High Authority and the EEC and Euratom Commissions was primarily conceived and envisaged with the object of rationalizing and unifying the administrative departments of these three institutions.

"Since then it has, for some, become an end in itself and a political prerequisite for strengthening both the Executives and the Communities.

"For others, it is the first stage of a vast political and institutional operation which should culminate in the merger of the three Communities.

"2) The Luxembourg Government has always evinced a positive attitude on a merger of the Executives, on condition that such a merger upholds and strengthens the Community principles of the three Treaties and enhances the political and institutional importance of the single Commission.

"3) Within the framework of the working programme of the Communities, it has agreed to state its position, as soon as possible, on a merger of the Executives, at the same time asking the Permanent Representatives to undertake a preliminary study of all the aspects and problems of merging the institutions so that the final decision may be taken with a full knowledge of the facts and unequivocally.

"4) The report of the Permanent Representatives made a thorough investigation of the institutional problems contingent upon a merger of the Executives, without, however, examining their effects and repercussions on a political and functional strengthening of the Communities.

"5) The Permanent Representatives have not begun preliminary studies on the merger of the Communities. Yet, in Luxembourg's opinion, the aim of such studies would have been to enable the governments to arrive at decisions on the merger of the Executives from a political standpoint at once wider and more Community conscious. They would also have removed the doubts that are not at present making discussions on the merger any easier. Finally, the governments would have been in a position to reach decisions with due regard for the underlying political thinking of the six governments on the future of the Communities. This is why the Luxembourg Government again suggests that such a preliminary study be in fact undertaken in order that future decisions may be reached advisedly and that, at the least, an exhaustive exchange of views may be held in the Council on a matter of capital importance for the future construction of Europe.

"6) The Permanent Representatives were also asked to study, in all its aspects, one of the decisive problems inherent in the actual merger of the Executives: the location of the Institutions and the Community bodies. The Luxembourg Government notes with regret that their report does not even include the outline of a solution and confines itself to drawing up a questionnaire that simply "papers over" the disagreements. In this context, the Luxembourg Government cannot help observing that the report by the Permanent Representatives on the institutional problems of merging the Executives is at variance with their memorandum on location. This disparity should be eliminated at ministerial level by maintaining a close connexion at all times between institutional debates and discussions on location.

"7) The German and Luxembourg Governments had submitted proposals - within the framework of the working programme - for strengthening the powers and competence of the European Parliament.

Supplementary proposals have just been made by the German and Dutch Governments.

While it is appreciated that the Permanent Representatives felt unable to endorse some German and Luxembourg proposals of minor interest, it is however regrettable that the more significant of these, which failed to win unanimous approval, should not even have been touched on in the report.

"8) For the Luxembourg Government, the political strengthening of the Communities and the single Commission through a merger of the Executives is linked to a strengthening of the powers of the European Parliament.

"9) Bearing in mind these considerations and reservations, the Luxembourg Government declares its readiness to accept, as a basis for discussions, the report by the Permanent Representatives on the institutional aspects of a merger of the Executives and to deal with problems outstanding in an objective and constructive spirit.

"10) The Luxembourg Government stresses, however, that its final agreement on institutional problems will only be given as part of a comprehensive decision on all the problems proceeding from the merger of the Executives and the widening of the powers of the European Parliament." (Luxemburger Wort, 26 February 1964)

d) The free union movement favours the merger of the European Executives

On 24 February 1964, Mr. H.G. Buiters, Secretary-General of the European Trade Unions' Secretariat, handed a letter to Mr. Henri Fayat, President of the EEC Council of Ministers, in which the position of the unions concerning the merger of the European Community Executives was reiterated. In this letter, the union organizations again called for union representatives to be co-opted onto the single Executive in due proportion to the contribution that workers of Europe have made and will make to the construction of Europe. As in the past, union leaders will take similar steps at the national level. (Informations à la presse, Secrétariat Syndical Européen CISL, 24 February 1964)

7. Paul VI discusses Europe

Addressing members of the Executive Committee of the European Council of the International Union of Young Christian Democrats, the Pope observed that they were directing their thoughts and efforts towards the ideal of an integrated Europe and went on to state:

"This is a lofty ideal that is worthy of you. It deserves to bind your hearts and inspire your enthusiasm. It represents the happy outcome to an unhappy history; the nations of Europe must no longer have cause to rise up in arms against each other. To eliminate the danger, the temptation to engage in any other conflict that could be both tragic and fatal, it is necessary to make, we should say remake, a single family of brotherly peoples; and rather than saying that Europe is divided into these, we should say Europe is made up of them. European integration now appears to have progressed sufficiently to embrace not only defensive, negative objectives but also other more positive purposes that the international scene holds out, with the hope of better things. We say this because the Roman Catholic Church also hopes that European integration will advance without unnecessary delays." (La Stampa, 1 February 1964)

8. Visit of the President of the Italian Republic to Paris

During the talks he had with President Segni, from 18 to 21 February, General de Gaulle stated inter alia:

European integration

"The construction of Europe cannot amount to merely introducing regulations for its industry and agriculture. After the atrocious strife of the past and in view of the world's tremendous prospects of development, the question facing Europe in regard to the world at large is whether or not she is capable of becoming a coherent and dynamic reality. Does Europe want to determine her own aims for herself ? Does she want to decide her own attitudes, her own course, in other words her own policy? Does she want to have her own means of defence, freedom to choose her own alliances ? In other words, does she want to be responsible for her own security ? Does she want to control her own economy, her own industry and her own resources, on which her aid to the world's developing countries depended?"

Replying to the French leader, the President of the Italian Republic stated:

"France and Italy can only thrive as part of Europe: a united Europe that is not inward looking but, on the contrary, open to all partners who agree to unite in freedom and democracy. Such a Europe is essential to the equilibrium of our old Continent as well as that of the whole world. In it the countries that go forward towards civilization feel that they can find generous collaboration that is genuinely unconditional."

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In connexion with the Franco-Italian talks, Mr. Saragat, Italian Minister for Foreign Affairs, addressed the French diplomatic press on 20 February. He discussed the main problems in the construction of Europe.

Merging the Executives of the Common Market

There was no divergence of view between the French and Italian Governments.

"We are agreed that the organization of the six countries should be strengthened at the economic level to bring the transport, taxation and social policies more closely into line with each other. It will be possible thus to create the structures that will facilitate political discussion.

"Although Italy is in favour of elections to the European Parliament by direct suffrage, indirect elections by the members of the national parliaments may be preferred. These are not questions that are likely to sever us from France. It is possible to reach agreement here."

Partnership between the United States and Europe

"Partnership presupposes two different entities. Europe would not disappear in the framework of an Atlantic Community. In any event, the destiny of Europe is inseparable from the Atlantic entity."

Relations between the Europe of the Six and the United Kingdom

"It is necessary to plead the cause of supranational Europe with the British and it is necessary to ask Europeans not to complicate the accession of the British to Europe."

"It is a question of knowing to what degree the United Kingdom is open to Europe. This degree appears quite appreciable and it will be more so in the near future. The Labour Party is no less in favour of the United Kingdom's entry into Europe than the Conservative Party."

"If one were to proceed now to a political revival of Europe, this could not but complicate matters. It is necessary, however, to consolidate the political and economic infrastructure by proceeding to adjustments in the fields of transport, taxation, social security and energy."

Aid to developing countries

"Italy considers it to be her duty to co-operate in this task. It is not important to know if this aid should be granted in a European or an Atlantic framework but it is necessary to begin at the beginning, that is to say in a European framework." (Le Monde, 21 and 22 February 1964)

9. Decisions of the Bundestag Group of the Free Democrats on European policy

The Bundestag Group of the Free Democrats met in closed session in Baden-Baden on 28 and 29 February and discussed recent developments in European policy and the consequences for the Federal Republic. The results of the meeting were embodied in a number of resolutions, extracts of which are given below:

Union of all the free States of Europe

"The Bundestag Group of the FDP..... remains of the opinion that the union of all the free States of Europe would play an important part in furthering the following objectives:

- the re-unification of Germany;
- the preservation of our free European culture and of economic and social order;
- the co-operation as equal partners of the world powers, in close union with the United States of America, in the solution of world problems.

"The FDP Group therefore supports all efforts by the Federal Government to extend the existing European Communities to embrace the whole of Europe. It also desires to move forward from economic co-operation to political union.

"Within the framework of the existing organizations, the FDP Group calls for solutions that will ensure an equal chance for every Member State. It opposes one-sided concessions by any Member State and expects the Federal Government strictly to protect German interests.

"For this purpose, it considers the following essential:

1. merger of the three Communities;
2. fixing of the common seat of the Executives, a matter the Governments have now put off for six years;
3. strict co-ordination in the Federal Ministries of views expressed in Brussels;

4. establishment of good relations with German officials working in the European organizations;
5. strengthening of the European Parliament by establishing a regular system of parliamentary control on all decisions.

"For this purpose, the Bundestag Group of the FDP requests the Federal Government to induce the Council of Ministers of the EEC and Euratom to take the following decision:

Before any decision by the Council of Ministers, the European Parliament shall be consulted on the proposal put up for decision. Any amendments to the draft decision proposed by the European Parliament may be rejected by the Council only by a unanimous decision. In such a case the decision, accompanied by an explanation, shall be communicated to the European Parliament without delay.

"For the period in which there is no adequate parliamentary control of the European organs, the FDP Group calls for the following decision to be taken in the Bundestag:

The approval by the Federal Republic of Germany in the Councils of Ministers of the European Communities will be given only after the Federal Government has been authorized to signify such approval by a decision of the German Bundestag."

European economic policy

"In the process of transition from a customs union to an economic union, agreement must be reached in the immediate future on the Communities' aims in the field of economic trends policy to ensure harmonious development of the Community. Only a general return to stability will ensure the maintenance in the course of European development of currency value as the basis of our free economic and social system.

"The efforts to achieve a common economic policy should not be allowed to imperil our successfully established economic system. The Federal Government must vigorously advocate the proven principles underlying the social market economy, which have undoubtedly made it possible to combine a high rate of economic growth with the maintenance of currency value. While an

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economic forecast is desirable, the main essential is planned State expenditure and intervention - a requirement long advocated by the FDP. What should be avoided, however, is a type of economic planning which, by fixing exaggerated growth targets, would overtax the strength of the economy, thus encouraging devaluation and endangering ownership and social security among the widest classes of our people.

"Alongside the work carried out in the energy and transport policy fields, priority should be given to the approximation of taxes. In this sector, harmonization of turnover taxes must be put in the forefront; any decisions must include basic provisions on the abolition of tax frontiers along with customs frontiers, and at the same time provide for subsequent harmonization of direct taxes.

"It is essential - while complying with the provisions of Articles 200 and 201 of the EEC Treaty - to devote prompt attention to the overall financing of the European Economic Community - for example, by means of sources of income of its own. The main emphasis must lie on a fair distribution of burdens, as laid down in the Treaty. The way in which financial problems have so far been dealt with involves the risk of burdens not being fairly shared as between individual Member States.

"In the Kennedy Round, and in the negotiations on commercial policy, the Federal Government must come out strongly in favour of moving nearer to Atlantic Partnership, so as to overcome the difficulties resulting from the split in economic relations with third countries and between the European States of free Europe. For this purpose, co-ordination of development aid is also necessary."

FDP opposes a cut in cereal prices

...

"The FDP Bundestag Group calls attention to its oft-repeated statement that a lowering of German cereal prices is at present out of the question. It is of the unanimous opinion that:

1. the cut in cereal prices proposed for political reasons in the Mansholt Plan would represent a one-sided concession unacceptable to the Federal Republic;

2. the cut in cereal prices can solve neither the agricultural problems in the Federal Republic and in the EEC, nor commercial policy problems with regard to third countries;
3. the expansion of production in the processing sector resulting from the lowering of cereal prices - and even advocated in ignorance of the facts - will not, as already proved in certain regions, lead to any solution of German or European agricultural problems, but to overproduction based on the volume of agricultural products, which in turn will result in new and particularly grave agricultural, financial and commercial problems;
4. the cut in cereal prices, contrary to erroneous and widely-held opinions, will not bring down the cost of living in Germany;
5. such a reduction in agricultural farming incomes would jeopardize the existence of numerous family-run farms and thus, within a short space of time, result in the loss of a wide circle of customers to German industry and trade.

"If the proposals are put into effect, they will have dangerous consequences for the entire economy. The FDP Group therefore adheres to its well-grounded opinion that uniform cereal prices in the EEC call for the same competitive conditions in all sectors of economic and tax policy. They can therefore only be introduced at the earliest in 1970, following the removal of distorted competition and the harmonization of costs." (Freie Demokratische Korrespondenz, 2 March 1964)

10. "Europa" Congress of the SPD Group of the Bundestag at Bad Godesberg

At the SPD Congress held on 25 and 26 February at Bad Godesberg to examine the present position and future prospects of European unification under the theme "Concern over Europe" Mr. Jean Monnet, President of the Action Committee for the United States of Europe, delivered the first address on "Europe and the United States in the solidarity of the West". Mr. Monnet described the common objective of the West as "progress towards European unity, the establishment of a partnership with the United States on a basis of equality and joint efforts to find a durable basis for peaceful co-existence with the Soviet Union."

European integration

The European Community should be extended to embrace all democratic countries that were prepared to accept the aims, legal provisions and institutions of the Community - the United Kingdom, in particular, but also Denmark, Norway and Eire which had applied for membership. In Mr. Monnet's view, the real "federative strength" of Europe lay in the continuous dialogue between the institutions of the European Community and those of the individual States. It was now essential "to mould the European institutions on more democratic lines, to extend the procedure applied at European level by degrees to other regions and finally to pave the way for a European political authority under democratic control."

Relations between Europe and the USA would have to be established on a basis of equality. The first step in that direction was the Kennedy Round of negotiations. Mr. Monnet also called for joint action by the West in questions of nuclear armament. "The present situation," he stated, "will undergo a fundamental change once the countries of Europe have established a common authority capable of administering and controlling the nuclear potential. The multilateral control could then be modified with a view to its gradual replacement by a joint European nuclear force associated with its American counterpart".

Mr. Birkelbach, Chairman of the Socialist Group of the European Parliament, did not feel very optimistic about the progress towards European unification. In his opinion, the crucial issue at the moment was whether, in order to strengthen Europe, genuine democratic representation of the people was to be introduced by granting the European Parliament the right to have a say in decisions. Mr. Birkelbach strongly objected to the legislative procedure at present in force in the Council of Ministers which was at complete variance with parliamentary practice and entailed harmful effects. The merger of the European Executives would provide an opportunity to take a step forward by strengthening the powers of the European Parliament. On the other hand, progress of the Communities at the institutional level appeared for the moment to be at a standstill as a result of France's attitude. Moreover, the possibility that other countries might welcome General de Gaulle's behaviour as a pretext for making the best of the existing state of affairs ought not to be ruled out. It was essential not to vitiate or go back on what had already been achieved. The concept of European unity and the pattern of its gradual achievement should be preserved during this period of stagnation and the European Communities should not be allowed "to take the blame in the eyes of the public for failures arising from the inability of the national parliaments to further the progress of the Communities".

Mr. Deist stated that where progress had been made in the development of the Community, this was mainly due to the political activities of the Commission; whereas cases of delay, indecision, or even breakdowns, were usually attributable to the Council of Ministers. "If political will and political power is to be found anywhere at all in Europe," he added, "it is in the Commission of the European Economic Community."

General de Gaulle's veto at the beginning of 1963, and the suspension of negotiations with the United Kingdom, had called the organic development of the Community into question. There was a danger of a standstill in the development of a genuine Community policy, of a shift in the flow of trade between the Community countries and the rest of Europe, and of a serious impairment of co-operation in the Atlantic Community. Nevertheless, opportunities existed for the continued development of the Communities. To make the most of these - armed with political will, tenacity and self-confidence - would be the task of European policy in the immediate future. Negotiations would in future be increasingly governed by the law of "give and take". Thus, in certain spheres French interest in a European solution was still considerable; common interests of this kind could be used to promote the development of the Community. The contemplated institutional system could also be brought a step nearer as certain immediate aims could be achieved without amendments to the Treaties. Finally, the Kennedy Round provided yet another excellent opportunity. If what was feasible and necessary was done, this in itself would be a considerable achievement.

In an address on the external relations of the Communities, Mrs. Strobel called in particular for swifter Community solutions in the field of external trade policy to bring this in line with other sectors, such as the common agricultural policy. If the Governments failed to recognize their obligation in this field, harmonious development of the Communities would be impossible. (SPD Press Reports and Information, 25, 26 Februari 1964)

11. The position of the Italian Communists in regard to Europe

"L'Unità", the organ of the Italian Communist Party published an article by Mr. Alicata on the attitude of the Communist Party towards problems facing Europe. After recalling that Mr. La Malfa (Republican) had "more or less openly" called upon the Italian Communist Party to say where it stood with regard to Europe and to withdraw its reservations about unification in view of the present struggle for a democratic Europe against those who wanted an authoritarian one, Mr. Alicata went on to say:

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"There is first of all an old problem of interpretation since "Europe", as referred to and argued over by De Marsanich, Martino and Scelba, on the one hand, and Saragat and La Malfa (and to some extent the Socialist Party) on the other; is not Europe - with or without the United Kingdom. There is the capitalist Europe that, by becoming consolidated in a united political bloc, would further widen the breach with the other Europe - the socialist one. Nor could the "democratic" and "open" Europe ("open" only to the United States, the Commonwealth and Africa) - Mr. Saragat has made this clear - be neutral. On the contrary, the neutrals (Switzerland, Austria, etc.) would have to be debarred simply to prevent neutral trends from gaining the upper hand.

"We would add," Mr. Alicata continued, that even in this "democratic" and "open" Europe, in which de Gaulle's France would be "absorbed" and "controlled", the heavyweight would still be Federal Germany which, even after Adenauer, remained a "revanchist" power and the only State in Europe that refused to recognize the present frontiers.

How ever could such a Europe contribute to making the situation less strained between the present blocs? In such a Europe would not Italy be bound up still more in power politics? Would she not be called upon to "die for Berlin" or for the Oder-Neisse line, and involved against her will in a neo-colonial or blatantly colonial policy (as in Cyprus) towards the "third world"?

On the other hand would it be sufficient to include the United Kingdom to make this Europe "democratic" and offset the threat of a Gaullist or Gaullist-German hegemony? Mr. La Malfa is right when he speaks of an authoritarian menace hanging over Europe. But are the roots of this threat only in the system of personal power existing in France today or should they be sought instead in the economic and political power of the major monopolistic groups that exist not only in France, even though only in France (and in various forms in the Federal Republic) have they completely succeeded in ousting traditional democratic representation from the institutions?

It remains to be proved whether joining such a "democratic" Europe would widen the bounds of Italian democracy and not instead curtail them at a later stage, as indeed (but this is another question) our membership of the Common Market has already done. Democracy, up to a certain point, has the same meaning for Mr. La Malfa as for ourselves. But we, as the political

representatives of the working class, cannot refrain from saying that democracy, today, means first and foremost a reform of capitalist structures and the struggle against the monopolies.

There is also another problem about which we give full credit to Mr. Saragat for not begin reticent. If we want Europe to include Britain, he said, we should realize that such a Europe would in no way be able to slacken its ties with the United States. Therefore to work for a "democratic" Europe today means not creating any cause for friction with the United States, and therefore completely falling in line with their political exigencies.

Such plain speaking is welcome. But stemming from this are our commitments to the multilateral nuclear force, even where this is viewed from an anti-Gaullist angle. Hence our subjection to the entire sweep of United States foreign policy, even in its most brutally and openly imperialistic aspects, in Asia and South America for instance. Hence our being "unable" to recognize China and, in regard to the third world, acting on our own initiative and pursuing a truly democratic policy.

Hence, (but also as a result of our "European" policy towards the Federal Republic and de Gaulle's France) our being "unable" to go boldly ahead with a disarmament policy, geared to a de-nuclearization of Europe and the Mediterranean and diligently to exploit to the full our friendly relations with Poland and Yugoslavia - two countries that are particularly active in this sphere. Hence our policy towards the Soviet Union and the socialist world that follows the oscillations of United States policy like a pendulum, these oscillations being often due to reasons of American internal policy and strategic considerations in parts of the world (in South-East Asia, for instance) that are far from us in more than one sense.

These are a few, and only a few, of the reasons why the Italian working class (and also the leaders of the Socialist Party) cannot overlook the dilemma put forward by Mr. La Malfa: either an "authoritarian" or a "democratic" Europe. Expressed in these terms, it is clear that the dilemma can be resolved by us only in one way. But is this a real or a false dilemma? Is there only this single objective - proposed by Mr. Saragat and Mr. La Malfa - for a peaceful and democratic Italian foreign policy? And in any case, how is the democratic and peaceful character of the foreign policy proposed by them to be reconciled with the questions we have put? This is a matter which we are prepared to discuss with open minds and close attention."
(L'Unità, 9 February 1964)

12. A lecture on the European University

On 10 February 1964 Professor Archi, Rector of the University of Florence, gave a lecture in Naples on the European University. The lecture had been arranged by SIOI (Italian Society for International Organization).

Professor Archi was responsible for the colloquy held in Florence from 4 to 6 July 1963. This colloquy had an appreciable influence on the Italian Government which had approved a bill and submitted, to the other governments of the Community, a draft Convention on the setting up of the European University.

Professor Archi outlined the background to the subject of the lecture and dwelled on a study of the positions taken in discussions on the setting up of the University of Florence. He recalled the problems that the plan for a European University had run into at every turn, for it was to be an entirely new venture in relation to conventional universities.

He reviewed the various problems raised by the creation of a European University and endeavoured to clear up the misunderstandings that had arisen.

Professor Archi expressed a favourable judgement on the work carried out by the European Parliament with a view to promoting the European University.

The speaker hoped that the academic circles that had put up the greatest opposition to the plan for a European University would lay aside their prejudices about non-conventional universities such as that in Florence. Professor Archi considered in detail the flexible structure which the University of Florence would have to have. He concluded by emphasizing the need for Europe to be endowed with the means for integration at the cultural level, that would become part of the overall process of European unification. (Notes by an observer)

II. EXTERNAL RELATIONS

Chronological summary

- 13 and 14 February EFTA Ministerial Council meeting in Geneva takes stand against tariff disparities.
- 27 February Meeting of the Council of the European Movement in London. Mr. Luns in favour of EEC's expansion.

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1. A statement by Mr. Marjolin on the GATT negotiations:

Speaking in Paris on 18 February, Mr. Marjolin, Vice-President of the EEC Commission, reaffirmed the position of the EEC concerning the Kennedy Round on agricultural products.

Addressing the annual general meeting of the National Union of Cereal Co-operatives, Mr. Marjolin stated that the Six would not be able to offer any quantitative guarantees for "agricultural products from third countries". He also recalled that the Six had suggested that the negotiations should cover the "support levels" that each country grants to its agriculture and that there was no question of this proposal being modified.

Mr. Marjolin did however make it clear that Europeans should remain convinced of the need to keep trade flowing at a high level throughout the world. He quoted, as proof of Europe's resolve not to become isolated, the fact that imports from third countries had risen appreciably since 1958.

The speaker had previously referred to the negotiations that had made possible "the great European enterprise that, after four years of effort, has now taken shape". He also paid a tribute to the "iron will" of Mr. Mansholt and mentioned the difficulties remaining to be solved in the agricultural context: the poultry farming and fruit and vegetable sectors, the regionalization of cereal prices, the problems of transfers to stock-piling organizations and, finally, the unification of agricultural prices (Le Monde, 20 February 1964).

2. EFTA regrets EEC disparities plan

Britain obtained agreement of her EFTA partners at the EFTA Ministerial Council meeting in Geneva on February 13 and 14, on the rejection of the EEC tariff disparities plan for the Kennedy Round. On the second day of the conference Finland, EFTA's associate member, endorsed the united stand of the EFTA members. This came as a "rather unexpected but very welcome surprise" to the British team led by Mr. E. Heath, who told reporters "We are well pleased with the results of the meeting".

The ministers stressed in their communiqué that the contribution to be made by those EFTA countries (Denmark and Portugal) which were heavily dependent on exports of agricultural products would depend on whatever arrangements were ultimately agreed upon for trade in agricultural goods. Although EFTA

members had not asked for any special rules to deal with tariff disparities between them and other industrialized countries they were aware that disparities created a special problem for the Common Market and they were "playing their full part in seeking an acceptable solution".

The essential need was to restrict special arrangements so as to preserve the widest possible application of the linear reduction of tariffs. The EFTA ministers wanted cases where a third country, and not the country with the high duty, was the main exporter to the country with the low duty excluded from special arrangements. Otherwise, "innocent third countries" would suffer. This applies to the Swiss view that a disparity should be considered as commercially significant only where the high tariff country is the main exporter to the low tariff country; this criterion should not be subject to exceptions.

The members of the EFTA decided moreover:

- 1) Industrial standards.
EFTA nations will not introduce new standards without consulting other members. A working party will study ways of harmonizing existing EFTA standards.
- 2) The Consultative Committee, on which business and trade unions are represented, will examine all such hindrances to trade as standards and advise the EFTA Council on action.
- 3) The Consultative Committee, which in future will meet regularly in Basle, will give its views on EFTA policy matters which are up for consideration by the ministers.
- 4) Special attention will be paid to the non-tariff non-quota hindrances to trade stressed by EFTA businessmen, for example, national business practices, health and safety regulations, subsidization of exports, etc. In addition business demands for a multilateral EFTA double taxation treaty will soon be met, and EFTA will pursue with the EEC the possibility of extending to EFTA nations the common European patent convention worked out in Brussels. (The Times, The Financial Times, 15 February 1964)

3. Mr. Luns on the expansion of the EEC

At a meeting of the Council of the European Movement held in London on 27 February 1964, Mr. Luns, Dutch Minister for Foreign Affairs, stood up for the accession to the EEC of the United Kingdom, Ireland, Denmark and Norway. "Accession to the EEC is the only solution. That was my conviction in 1961

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and still is now. After all, their membership would not only facilitate the solution of many purely technical problems, but it is also of vital importance from a political point of view that Britain and other democratic countries that are in a position to do so, should become members of the Common Market. Only this would create conditions leading to a balanced development and culminating in the unification of the whole of Western Europe."

Mr. Luns did not think that a community of ten countries would work less smoothly than a community of six, nor would a larger community necessarily work less actively.

He recalled Britain's fifteen months of hard negotiations in Brussels, which were broken off in January last year "without any reason directly bearing upon the Treaty of Rome". The Minister went on to state: "The discussions have proved that solutions to problems can be found if there is the political will to do so. In January 1963, solutions had been found to most of the problems bearing upon relations with the countries of the Commonwealth and the adjustment of the British agricultural policy to that of the EEC. All I can add to this is that I deeply admire your Government which, in spite of last year's set-backs, has continued to interest itself in Europe as far as circumstances permitted. For us, on the Continent, this proves once again that Europe's geographical boundaries are not set by the insular attitude adopted by certain continental governments regarding parliamentary and topographical dividing-lines."

Further in his speech Mr. Luns said: "I want to state very clearly that the Dutch Government will continue to direct its efforts towards a further liberalization of the Community's policy."

Pointing out that the forthcoming Kennedy Round of tariff negotiations involved a political problem, Mr. Luns concluded: "If the countries of Europe are not prepared to co-operate in applying the substantial tariff reductions proposed by the United States Government, they would in fact encourage the isolationist tendencies which the United States are now trying to shake off. We would actually be guilty of the very isolationism which, in the past, we have condemned on the part of our friends across the Atlantic Ocean."

The Minister was of the opinion that the countries of the European Free Trade Association would probably find it more attractive to become ordinary members of the EEC and have their say in political decisions than becoming associate members obliged to toe the political line decided upon by the full members. "Only for countries with very special problems such

as Greece and Turkey, with their relatively undeveloped economic life, has association proved to be the best solution."

Mr. Luns thought that the time was not yet ripe to contemplate a European political union as opinions still differed too much, regarding both its supranational basis and its place in NATO. Moreover, a satisfactory link between the Six and Britain was still lacking. The growing economic community of interests of the Six was evidently not sufficient in itself to create a community of ideas. Never since the war have the Six had such divergent opinions on the important political problems facing them despite the fact that their economic systems are now more closely knit than ever. (Handels & Transport Courant, 28 February 1964; De Tijd/Maasbode, 28 February 1964)

4. Austria and European agricultural policy

At an agricultural conference in Vienna, Mr. Stürgh, President of the European Agricultural Association, stated that Austrian agriculture and forestry were, perhaps more than any other branch of Austrian industry, largely prepared to accept the rules of the EEC's common-agricultural policy. Mr. Stürgh showed by a number of examples that, in its agricultural policy, the EEC started from basic principles akin to those of Austrian agriculture, pursued the same objectives and employed the same means to achieve them. The approximation of Austrian agricultural policy to that of the Community therefore presented no insuperable difficulties.

The decisive factor for Austrian agriculture was whether it could be in time "to play its part in balancing production and consumption within the area of integration". If equilibrium was reached in the EEC without the participation of Austrian agriculture, then the latter would play a minor part on the Community market. Despite repeated assurances regarding an outward-looking Community, Austria should entertain no illusions in this respect. The agricultural policy of the EEC would be directed increasingly towards satisfying its own needs and, because of its enormous influence, have considerable repercussions on agriculture in neighbouring countries.

Mr. Stürgh foresaw difficulties for Austrian forestry. Developments in recent years had shown that timber production, particularly in the Soviet Union and in Scandinavian countries could be mechanized far more readily than could ever be the case in the mountainous regions of central Europe. Austria, as the only major timber exporter in Central Europe, would have to adjust itself to very fierce competition, in spite of its

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relatively favourable position in a common European Market. It would therefore be necessary, even within the EEC, "to adopt a common, or at least co-ordinated forestry policy and to prepare suitable measures to protect Central European forestry from disastrous practices akin to dumping."

Neither membership of EFTA nor expansion of trade with the East would, according to Mr. Stürgkh, make up for inclusion of the Austrian economy in the EEC. In view of the large share of Austrian foreign trade accounted for by agriculture and forestry, future developments depended very largely on "assured access to ready markets. Such markets, however, could be found only in Western Europe". (Die Industrie, Journal of the Union of Austrian Manufacturers, No. 9, 28 February 1964)

III. ECONOMIC POLICY AND ECONOMIC SECTORS

Chronological summary

Energy policy

28 February Talks between the President of the French Republic and Mr. Del Bo, President of the High Authority.

Financial policy

10 - 11 February Meeting of EEC Financial Ministers in Rome. Instructions to the EEC Commission to prepare the draft of a tax reform with a view to harmonizing the tax systems of Member States.

Agricultural policy

3 - 5 February Meeting of EEC Agricultural Ministers in Brussels. Adoption of regulations

- for the establishment of common market organizations for milk and dairy products, beef and rice;
- on the amendment of Regulations Nos. 20, 21 and 22 in respect of refunds on exports into Member States;
- on the conditions for the participation of the European Agricultural Guidance and Guarantee Fund and on budget arrangements for the Fund;
- on the financing of expenditure for interventions on the internal cereals market.

1. The President of the High Authority discusses coal and steel policy

On 28 February, Mr. Del Bo, President of the High Authority, was received by the French Minister for Industry and then by the President of the Republic.

Following these talks, Mr. Del Bo told the press, *inter alia*, that if a common policy for energy were to be introduced, the Treaty establishing the ECSC would have to be revised. The latter had in fact been devised at a time when coal was still the major source of energy. To-day, however, coal supplied only half of the energy consumed. At present, it was necessary to act progressively in order to prevent the common market for coal from becoming disorganized. That market was incompatible with a policy of arbitrary subsidies. Such subsidies were necessary even though the Treaties did not permit them. The governments should reach agreement on a wider interpretation of the Treaty to make temporary and exceptional subsidies possible under Community control.

Mr. Del Bo further stated that the Treaty of Paris imposed too great a restriction on the powers of the Community for it to be able to solve the problems facing it. These powers should be extended to trade policy, social policy and safety in the mines etc.

Finally, Mr. Del Bo stressed the need to call a world steel conference. Such a conference was necessary to work out trade regulations, to lay down a code of ethics and to define dumping. It was true that there was much discussion of this problem but this was in such non-specialized spheres as the UNO or else in circles such as the OECD that were hardly empowered to take decisions. To achieve practical results before a serious crisis occurred, a world steel conference was essential. (Le Figaro, 29 February 1964)

2. French farmers and the common cereal policy

At their meeting in Paris on 18 and 19 February, the members of the cereal co-operatives called for a transposition to the European level of the French cereal market organization by setting up a "Community Cereal Board" responsible for referring all measures on cereal policy to the EEC Council, or to the various authorities concerned. The Board would be responsible for carrying out proposed measures. It would be controlled by the EEC Council and Executive Commission and

managed by a central committee (in the same way as the National Interprofessional Cereal Board in France) made up of authorized representatives of the cereal producers and co-operatives (who should hold 51 per cent of the seats) and of representatives of the cereal trade, the industries and co-operatives that use cereals and the consumers. Regional cereal committees, on the model of the central committee, would serve as branches in the main regions of the Common Market. (Le Monde, 21 February 1964)



Part II

THE PARLIAMENTS

Chronological summary

I. EUROPEAN PARLIAMENT - PARLIAMENTS OF THE ASSOCIATED AFRICAN STATES AND MADAGASCAR

21/22 February Preparatory meeting for the Parliamentary Conference of the Association in Messina.

II. NATIONAL PARLIAMENTS

Germany

Federal Council

7 February

Adoption of a resolution on draft EEC regulations concerning

- standardization of cereal prices;
- fixing of cereal prices for the 1964-65 season;
- improvement of the living standards of the agricultural population;
- amendment of regulation on the financing of the common agricultural policy.

Adoption of resolutions on the draft EEC regulation concerning the amendment of the Council's Regulations Nos. 20, 21 and 22 in respect of refunds on exports to Member States and to the draft EEC and Euratom regulation on the amendment of the correction factors for salaries and pensions of officials.

28 February

Comments on the EEC Commission's draft directives on the regulation of

- questions of hygiene and food law requirements in trade in meat products;
- hygiene questions in trade in fresh poultry meat;

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- questions of legal hygiene requirements in intra-Community trade in fresh meat.

Adoption of resolutions on draft EEC regulations on

- the adoption of quality standards for fruit and vegetables;
- Community trade policy procedure for the protection of the EEC against irregular practices by third countries.

Bundestag

- 19 February : Ratification of the Association Convention between the EEC and the Associated African and Malagasy States of 20 July 1963.
- Approval of draft decision by the EEC Council on the association of overseas countries and territories with the Community.
- Agricultural policy debate with comments on the "Mansholt Plan".
- 20 February Adoption of a law for the abolition of restrictions on the employment of nationals and firms or companies of Member States of the European Economic Community.

ITALY

- 6/7 February Debate on European policy in the Foreign Affairs Committees of the Chamber of Deputies and of the Senate of the Republic.

NETHERLANDS

- 12 February Ratification by the Second Chamber of the Convention of Association between the EEC and the African States and Madagascar.

I. EUROPEAN PARLIAMENT - PARLIAMENTS OF THE
ASSOCIATED AFRICAN STATES AND MADAGASCAR

Preparatory meeting for the Parliamentary Conference of
the Association

On 21 and 22 February 1964, representatives of the European Parliament held a meeting in Messina with an equal number of representatives of the Parliaments of the African and Malagasy States. The purpose of this meeting was to make preparations for the Parliamentary Conference provided for in Article 50 of the Yaoundé Convention.

The meeting, which was presided over alternately by President Gaetano Martino (European Parliament) and President Lamine Gueye (Senegal), reached decisions on the composition of the Conference and of its Joint Committee, and on the voting procedure and financing of the first session.

The Conference will consist of 54 representatives appointed by the Parliaments of the Associated States (3 per Parliament) and of an identical number of representatives appointed by the European Parliament. It will therefore consist of 108 representatives. The term of office and incompatibilities will be laid down by each of the Parliaments concerned.

The Conference will each year elect its President and seven Vice-Presidents, to be chosen in equal numbers from among African and Malagasy members on the one hand and European members on the other. The office of the President will be exercised alternately by an African or Malagasy President and a European President.

The day-to-day activities of the Conference will be carried out by a "Joint-Committee", the Conference's only permanent organ. This consists of 36 members (one for each associated country and a corresponding total number from the European Parliament) to be appointed by the Conference from among those attending it. The Chairman and Deputy Chairman of the Committee will be elected by the Conference following the appointment of members of the Committee. To ensure that the business of the Conference is carried out on a strict basis of parity, it was agreed that the Chairman of the Joint Committee should be a European if the President of the Conference was an African or Malagasy representative, and vice versa. Similarly, the Deputy Chairman of the Committee will be elected from among the group that does not provide the Chairman of the Committee.

For the purpose of financing the first session, it was agreed that the Parliament of each Associated State would contrib-

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ute. 500,000 CFA Francs towards the costs of the session and its organization, exclusive of the travelling and living expenses of those attending.

This first constituent session of the Parliamentary Conference of the Association will be held in Dakar between 1 and 10 November 1964.

II. NATIONAL PARLIAMENTS

Germany

1. Federal Council's views on the Mansholt Plan

On 7 February, the four draft regulations (1) of the EEC Commission popularly known as the "Mansholt Plan" were presented to the Federal Council for its comments.

Four Federal Committees - the Agricultural and Economic Committees, the Committee on Work and Social Policy and the Special Common Market and Free Trade Area Committee - had submitted recommendations for decisions on these regulations. These recommendations differed basically from each other: while the Economic and Special Committees rejected the regulations only for 1964-65 but described them in other respects as a basis for discussion, the Agricultural Committee advocated that the final cereals price level of the EEC should not come into force until after the transitional period.

On the question being put to the vote, the Federal Council followed the recommendations of the Economic and Special Committees. In a resolution, it stated that "the standardization of cereal prices in the Community was a major prerequisite of the common agricultural policy, which in turn was an essential feature of the economic union and therefore one of the bases of political unity in Europe". In the opinion of the Federal Council, however, the Commission's proposal for the 1964-65 cereals period could not be put into effect. Moreover, it requested the Federal Government to strive, "during subsequent negotiations in the Council, to find a solution that would take into account not only the position of agriculture in Germany - and in particular the relationship existing between the standardization of cereals prices and the harmonization of costs - but also consumer interests, commercial policy requirements, and the need for progressive integration".

The Federal Council then raised a number of basic issues. For example, the proposed cereals price level did not take account of the costs of German cereals production. This would jeopardize the objectives of the Agricultural Law: "to ensure

(1) Standardization of cereals prices; fixing of cereals prices for the 1964-65 period; preparation of Community plans for improving the living conditions of the agricultural population; completion of the regulation concerning the financing of the common agricultural policy.

that agriculture shares in the progress of the German economy", and of the EEC Treaty: "to ensure a fair standard of living for the agricultural community". Moreover the offer of 560 million DM as compensation for losses of earnings did not fulfil the promise of compensation in full. Furthermore, the levelling of cereals prices, involving reductions in high-price countries, should not be given preference over the harmonization of the rest of the cost structure. The Commission's price proposal meant a considerable change in the price relations that had so far existed between the different types of cereal. The drop in support prices would result in an additional loss of income to producers and tend to worsen competitive conditions for third country imports. Moreover, German agriculture would suffer from the reduction of commercial centres from 202 to 40 and the contemplated freight regulation. Further price reductions for the German producer would result from the new regulation on monthly carry-forwards and the adaptation of the German quality standard to that of the other EEC partners. Finally, without an approximation of the provisions on plant protection, difficulties could arise over imports.

Moreover, in connexion with the arguments in support of the proposals, which related to the Action Programme of the Committee on Social Policy in Agriculture, the Federal Council requested that it should be made absolutely clear that "the way in which the proposals for regulations are dealt with does not involve any prejudice to that Action Programme."

The Federal Council noted with concern that certain drafts prepared by the EEC Commission - for example, the Action Programme for social policy in agriculture - and also its claim to be able to determine minimum regional wages or other measures of equivalent effect, went beyond the powers invested in it under the Rome Treaty. (German Federal Council, report on session of 7 February 1964, publication 527/63 decision and 527/1/63, 7 February and 30 January 1964)

2. Bundestag debate on agriculture and comments on the "Mansholt-Plan".

During the debate on 19 February on the Federal Government's "Green Plan 1964", the speakers of the Groups also expressed their views on the Mansholt Plan which the Christian Democrats and Free Democrats in particular described as unacceptable. Mr. Struve (Christian Democate Union/Christian Social Union) stressed that his Group rejected the approximation of cereals prices in the EEC if it involved a simultaneous drop in the

German price level. Mr. Ehnes (CDU/CSU) felt it would be risky to switch over to new methods when the old ones, as shown by the "Green Report", had proved satisfactory. The main consideration was to ensure that existing disparities were not aggravated by unwarranted decisions. This meant that there should be no further price reductions and that the EEC's proposal should on no account be adopted as, under existing conditions, it could not be borne by the German agriculture. Mr. Ehnes viewed the proposals for European milk marketing regulations with "considerable misgivings".

Mr. Ertl, spokesman for the Free Democratic Party, rejected the Mansholt Plan in its present form on the grounds that harmonization of costs should run parallel in all sectors and that common prices were useless if they could be altered by currency manipulation. The primary need was to avoid further losses of income and to help to promote agricultural productivity and efficiency.

Mr. Schmidt-Gellersen (Social Democrat), who complained that during the Brussels negotiations the Federal Government had not adhered to the principles advocated by it on every occasion, called on the Federal Government to embark on a new course in agricultural policy. The Government had made repeated concessions without any negotiations taking place on the harmonization of costs, the abolition of distorted competition or the waiving of certain export requirements by partner states. Since the Council's session of 12 February there no longer existed any prospect of creating acceptable conditions for German agriculture of for third countries. The Federal Council was left with no alternative but to induce the Federal Government to adopt other tactics in Brussels and make vigorous use of the agricultural instruments that still remained to it with all that implied. If it persisted in its present course, German agriculture would have to pay a heavy price.

Mr. Schwarz, Federal Minister of Food, summarized the situation by stating that the main requirement was a broad compromise between the Six and the most acceptable solution possible for both producers and consumers. The Brussels decisions of 23 December 1963 also displayed positive features, and there were no grounds for pessimism. The Federal Government had naturally voiced its opinion on the Mansholt Plan, stating that it did not feel that a stage-by-stage approximation was practical and that it preferred a single-stage solution. Nothing, however, had been said regarding either the time factor or the ultimate price level. "All we have done," went on the Minister, "was to state bluntly - alone among the various delegations - that there could not for us be any question of a reduction in cereals prices for 1964-65."

The Bundestag finally adopted a resolution put forward by the CDU/CSU and FDP Groups (the SPD proposal being rejected), in which it approved the "Green Plan 1964" in principle and expressed the hope "that - maintenance of the German cereals price level in the EEC being taken for granted - the Federal Government will ensure that the successfully initiated measures will be pushed ahead with so that the improvement now making itself felt in agriculture would not again be impaired". (Bundestag Proceedings, Session of 19 February 1964)

3. The Federal Council discusses various EEC proposals

On 28 February, the Federal Council took note of a number of proposals by the EEC Commission - mainly on agricultural policy - on which it took a number of decisions.

Thus, it proposed various amendments to the draft directives concerning questions of hygiene and food laws in trade in meat products and fresh poultry meat. In addition, it requested the Federal Government to ensure that hygiene and food requirements were taken account of in accordance with German law and that no regulation would be approved that would be prejudicial to the protection of consumers.

With regard to the proposed regulation on the use of quality standards for fruit and vegetables, which is being introduced in the producing Member State, the Federal Council expressed "considerable doubts as to whether the Council of the Community is entitled, in the absence of express authorization in the EEC Treaty, to bind Member States, by means of a regulation, to grant exemption from provisions relating to penalties and fines." The Council requested the Federal Government to take action to ensure that at all events no minimum was set for assessing fines and that there would be no question of citing authorities of Member States who, under their domestic laws, should exercise the powers of control derived from such a regulation.

As regards the draft regulation on the adoption of common principles and a Community procedure for the commercial protection of the EEC against irregular practices by third countries, the Federal Council requested the Federal Government to check "whether, in the light of the existing trade policy situation and of the forthcoming Kennedy Round in GATT, it would not be premature at this juncture to issue such a regulation, particularly as in general the manner in which its provisions had been framed gives rise to some misgivings." (Federal Council, Report on the Session of 28 February 1964, publications 12/64, 62/64 and Resolution 538/63)

Italy

Italy's European policy

On 6 and 7 February a debate was held in the Foreign Affairs Committees of the Chamber of Deputies and of the Senate of the Republic. Taking part was Mr. Saragat, the Foreign Minister, who drew attention to the recent talks with the American, British and German statesmen when the Italian leaders had had evidence of a wide identity of views and significant agreement between Rome, London and Washington.

Italy, the Minister continued, was in favour of a united, democratic and integrated Europe, open to the United Kingdom and the Scandinavian countries and associated with the United States of America. Any attempt made to thwart this objective would therefore be rejected by the Italian Government. It would, on the other hand, press for elections to the European Parliament by direct universal suffrage and for the merger of the three Community Executives.

With regard to the Atlantic Alliance, Mr. Saragat stated that it should be a Community with far-reaching aims, politically and economically integrated as envisaged by President Kennedy. This means turning the alliance into a genuine partnership, which presupposes equality between Europe and America and, consequently, a concept of Europe that admits of such equality, through the essential integration of the United Kingdom in the European Community.

Joining in the debate, Mr. Malagodi (Liberal), Mr. Martino (Liberal) and Mr. Scelba (Christian Democate), emphasized the advisability of accepting the European policy proposals put forward by General de Gaulle, even though these had no supranational character whatever and had been rejected by the United Kingdom. Otherwise the vitality of the European Communities might be impaired.

Mr. Lombardi (Socialist) described the Government's European policy as being of real value both for constructing a democratic Europe and for easing tension between East and West. He added, however, that Washington's attitude should not be accepted "unreservedly" nor should the Federal Republic be allowed the military concessions that General de Gaulle holds out to it.

National Parliaments

Mr. La Malfa (Republican) and Mr. Pedini (Christian Democrat) stressed the need for proceeding with extreme caution in regard to the political unity of Europe; they were in favour of reinforcing the Community by applying the Treaty rules, one of which - essentially political in character - concerned the election of the European Parliament by direct universal suffrage.

Still in connexion with European elections, Senator Battino Vittorelli (Socialist) hoped for the adoption of an Italian initiative that would prompt urgent discussion of the election by direct universal suffrage to the Parliament of the Six. This, the speaker continued, would put France in an isolated position, if she endorsed the initiative and if Italy stated - as she would have to when appropriate - that she reserved the right, meanwhile, to proceed with the election of her own representatives.

Mr. D'Andrea (Liberal), largely agreeing with the line taken by the Foreign Minister in his statement, stressed that, for the purposes of partnership, at least approximate military and economic equality was necessary. As for the United Kingdom, which in the past had always fought shy of European unity, it was taking a new attitude which should not be ignored. At the same time, it should be remembered that it would be extremely difficult to build Europe without France. In short, the speaker explained, it meant working out, in regard to both the United Kingdom and France, a balanced policy that took no abrupt turns.

Senator Ferretti (Fascist), reaffirming his approval of the European and Atlantic policy, stated that the United Kingdom could not be excluded from European integration any more than Spain and Portugal.

Senator Montini (Christian Democrat) laid special stress on the need to make provision, within the framework of European unity, for harmonizing the various bodies and assemblies in which all the important issues affecting the life of Europe were debated. He further emphasized the need, in regard to co-operation with developing countries, to recognize the relevance of multi-lateral arrangements.

Senator Bolettieri (Christian Democrat) regretted that the foreign policy of General de Gaulle, which had the effect of preventing European integration with the United Kingdom, should be the Achilles tendon of the Atlantic organization. (Camera dei Deputati e Senato della Repubblica: Bollettino delle Commissioni Esteri, 6-7 February 1964)

Netherlands

The Second Chamber ratifies the Convention of Association between the EEC and the African States and Madagascar

On 29 January and 12 February 1964 the Second Chamber held a public debate on the bill concerning the abovementioned Convention of Association. The bill was passed.

During the debate, Mr. Van der Goes van Naters (Socialist) and Mr. Schuijt (Christian Democrat) deplored the slowness of the procedure. "We shall make a poor impression on our African partners", stated Mr. Van der Goes van Naters. Mr. Luns, Minister for Foreign Affairs, replied that as yet only France had completed the entire procedure. In answer to comments from various sides, the Minister stated that the Dutch Government felt that the Council as such could have acted at the time the Internal Agreements on the execution of the Convention of Association were concluded, and that it had not been necessary to specify the six individual Heads of State in the Convention. This, however, had been objected to by the other partners who had maintained that certain measures, particularly those concerning financial aid, did not fall within the competence of the Council, that is of the Community, so that the signatures of Member States would also be necessary. The Minister supported the view of Mr. Van der Stoel (Socialist) that Part 4 of the Treaty no longer applied to countries that had in the meantime become independent, but still applied, for example, to Surinam and the Netherlands Antilles.

Mr. Westerterp (Christian Democrat) was concerned about the real lack of parliamentary control on the execution of the Convention. Moreover, he feared that there would be further encroachments on the already limited powers of the European Parliament since the standpoint of the Community in the Council of Association was arrived at in such a complicated way that it was virtually impossible to establish subsequently who was actually responsible for it. Mr. Luns promised to give active support to the idea put forward by Mr. Berkhouwer (Liberal) that details of expenditure should be included in the Council of Association's annual report so as to allow a measure of control - albeit retroactive - to the national parliaments and the parliamentary conference. In the opinion of the Minister, the Council of Association would have to answer parliamentary questions, although this was not expressly stipulated in its rules of procedure.

Mr. Van der Stoel (Socialist) pointed out that the associated countries together had as many inhabitants as Nigeria alone and that a universal and non-discriminatory approach should be adopted. The Minister could not deny that in some instances the

Convention of Association did not respect this principle. The Government would, however, continue to strive for the abolition of preferences. Several speakers objected to the fact that the Development Fund let out most of the work to French contractors. Mr. Luns admitted that so far France had received 80 per cent of the work, but this was after all because of her traditional links with the associated countries and her familiarity with the conditions prevailing there. Mr. Van Rijckevorsel (Christian Democrat) stated he would vote against the bill as he considered the manner in which expenditure was regulated in the Convention of Association was at variance with the democratic traditions of effective control.

Finally, the Second Chamber adopted an amendment by Mr. Mr. Schuijft and others to the effect that the Government's annual report to the States General on the European Communities should also cover the implementing of the Convention of Association. The bill for the approval of the Convention was then adopted by the Second Chamber. (Meeting of the Permanent Committee for Foreign Affairs, 29 January 1964; proceedings of the Second Chamber, 1963-64 Session, 12 February 1964)