

# **EUROPEAN PARLIAMENT**

**GENERAL DIRECTORATE OF PARLIAMENTARY DOCUMENTATION  
AND INFORMATION**

## **MONTHLY BULLETIN OF EUROPEAN DOCUMENTATION**

Sixth Year

January 1964

N° 1

C O N T E N T S

P a r t I

DEVELOPMENT OF EUROPEAN INTEGRATION

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PART I

DEVELOPMENT OF EUROPEAN INTEGRATION

I. GENERAL PROBLEMS

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Chronological summary

- 8th-11th November: Congress of the European Movement in Rome to discuss "Europe as an equal partner of the United States".
- 14th November: Statement by the Standing Conference of the Chambers of Commerce and Industry of the EEC countries on the furtherance of European integration.
- 21st-22nd November: Franco-German governmental talks in Paris.
- 22nd-24th November: UNR-UDT Conference in Nice. Motion on European policy.
- 10th December: Meeting in Brussels of representatives of the Christian Democratic Parties in the EEC countries. Resolution on the political unification of Europe.

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1. The European Movement holds an International Conference in Rome

The European Movement organized an international conference in Rome from 8th to 11th November on the subject of "Europe as a partner of the United States".

The opening session was attended by Mr. Segni, President of the Italian Republic, Mr. Gaetano Martino, President of the European Parliament, Mr. Maurice Faure, President of the European Movement, Mr. Battaglia, representing the Italian Senate, and Ministers Colombo and Medici.

Mr. Colombo, recalling the figure of Robert Schuman, threw into relief the point that the Schuman Plan, as a political act, was entirely novel.

In a subsequent speech, Mr. Colombo regretted that the dialogue between Russia and the United States had found Europe not only in the background, but uncertain and divided.

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In order that Europe may once again make its voice heard, the Minister went on, there was no alternative but to continue along the path of European unity and thereby strengthen the West through a close association, within the Atlantic Alliance, between a united Europe and the United States. Going on to the political problems pertaining to the Atlantic Alliance, Mr. Colombo recalled that "between the two extremes of an Atlantic Alliance that is centralized and one that is decentralized, the 'Europeans', like the Americans, have always maintained that the really effective solution consists in Atlantic Partnership, that is to say an association between the United States and a united Europe on equal terms". Mr. Colombo was thus affirming that an organization of the West and of the Atlantic Alliance in these terms would be the appropriate means for developing to the full every positive factor of co-operation between the free peoples of the world. It would also be the means of discouraging any attempt made by the East to break our unity; it would offer a serious chance of success in negotiations for organizing peace. "For us", the Minister concluded, "assuring the solidarity of the Atlantic Alliance through the integration of Europe and close association with the United States, means working effectively for peace. For us, working effectively for peace means maintaining the present balance between East and West and therefore making possible an ever more active, united and responsible participation of all the component members of the alliance. But the most real guarantee of such participation lies in substituting for this multiplicity of components the united strength of an integrated Europe".

Finally, the Congress adopted a resolution calling for the merging of the European Executives and of the three Communities and for the direct election of a European Parliament. The accession to the European Communities of the United Kingdom and other countries that have applied for membership is regarded as essential, and the participation of these countries in the construction of Europe is called for. The constant contacts with these countries should be intensified, particularly within the West European Union.

Those taking part in the Conference were received by His Holiness Pope Paul VI, who, addressing them, declared, inter alia: "We too are for a united Europe. We cannot but hope that the process, by which Europe must emerge more united, more free from sectional interests and local rivalries, and bound more closely together in a system of mutual aid, will progress and yield practical and lasting results. Those who fear", the Pope continued, "that the unification of Europe will lead to standardization and to the elimination of the historical and cultural values of the various countries, far from holding it back should rather favour the growth of structures to form a new Europe, so that unity should not be imposed upon them by external and material factors at the expense of our own spiritual heritage or by the force of necessity, against which, at a later date, it would be impossible

to offer any effective resistance."

Paul VI then went on to observe that there was another reason which made Europe's unity necessary and urgent: the preservation of peace. Indeed, peace such as at present, founded on a balance of strength, on truce between enmities or purely economic interests, was fragile and did not stimulate the energy necessary for solving the basic problems of the peoples.

The Pope concluded his speech by expressing his confidence in the wisdom of those in power to find ways and means of making Europe a living unity.

(Il Popolo, 9th November 1963,  
Corriere della Sera, 10th November 1963,  
Neue Zürcher Zeitung, 13th November 1963)

## 2. Franco-German governmental talks in Paris

On 21st and 22nd November, Chancellor Erhard had talks in Paris with the French Government, with special emphasis on the future of the construction of Europe.

The Chancellor addressed diplomatic correspondents on that occasion, saying in particular: "There have been one or two delays concerning the political union of Europe. In opposition to the more ambitious integration theories are those advocating a more gradual, careful course, beginning with the setting up of structures which, if not solid, would, according to these theories, at least be effective. I think that there too the exchange of ideas should continue so that a fresh start can be made on this problem. The process of economic integration which goes on automatically, and which will be further strengthened by the merger of the existing institutions, necessarily calls for a political counterpart, if Europe is to take its rightful place in the world. It will not, I think, be a Europe where outlines become indistinct or national characteristics disappear; I look to a community of peoples who will together be the guardians of Western culture and whose ultimate task will be to endow the United States of Europe with a commensurate economic, political and spiritual life. This is not a question of immediate realities. It is a long-term political concept.

The United States of America which co-operates closely with us has the right to claim the credit for having done its utmost to promote the union of Europe in the early days. This joint action and inter-action of Europe and America is today the world's best guarantee that the major problems can be settled within the alliance itself and that commitments to the rest of the world can be fulfilled. Uniting our strength and working out joint plans are the conditions upon which our ability to construct effective defences depend. If we unite our strength,

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we are strong enough to withstand any provocation in peace or war. We shall strengthen this power by giving every citizen the chance fully to develop his personality in freedom."

At the close of the de Gaulle-Erhard talks, the communiqué issued stated, in particular: "General de Gaulle and Mr. Erhard agreed that it was important for France and the Federal Republic, as well as for the Economic Community itself, that the agricultural and financing regulations outstanding should be passed within the agreed time limits. They further agreed that every effort should be made to ensure the success of the Brussels sessions.

A successful conclusion to the forthcoming negotiations in Geneva is another common aim of the two Governments, since both are anxious to reduce the barriers to world trade and to ease relations between the EEC and third countries, particularly the United States and EFTA Member States.

The President of the Republic and the Federal Chancellor also discussed the far-reaching proposals which the Common Market Commission has just put forward for establishing a common price level for cereals of the European Economic Community.

It is the hope of both Governments that carrying through the 9th May programme will mean progress in the task undertaken, not only economically but also politically, and that this will further the construction of a united Europe."

Finally, before leaving Paris, the Chancellor gave the press further details of his views when he said: "We must be very flexible. During the first phase in the political union of Europe, we should not think in terms of supranational institutions. I believe that by beginning with Franco-German friendship, we shall bring about a new impetus, a new momentum which will pave the way for a European political community. I cannot accept rigid formulas ... With regard to the supranational institutions, what is involved is a special problem. A sovereign state cannot renounce a part of its sovereignty without giving undertakings to its people. The supranational question deserves further discussion but I am convinced that Franco-German friendship will give rise to a new force, to a common destiny for free Europe."

(From "Le Monde, 23rd, 24th, 25th November 1963)



3. The position of the UNR-UDT Parties in regard to the Construction of Europe

At the close of their conference, held in Nice from 22nd to 24th November, the UNR-UDT Parties published a motion on foreign policy which read:

"The national conference of the UNR-UDT believes that, for the present, the initiative for effective steps toward the unity of Europe - which it regards as necessary and which it would like to see come about at an early date - must lie with the nations...

The Conference considers that this unity must be a process of continual growth, not only socially and economically, but also politically.

The Conference hopes that the economic talks to be held in Brussels with a view to a speedy establishment of the common market for agriculture, will make the necessary progress towards European unity, bearing in mind the economic dictates of the Six Member States as well as the basic tenets of the Treaty of Rome.

The Conference recalls that France has, on many occasions, given concrete evidence of its readiness to pursue the political unification of Europe, and the Conference hopes that new moves will be made in this direction."

With regard to agricultural policy, the motion calls for a more extensive social legislation, particularly in connexion with accident insurance; it calls for a dynamic marketing policy; it expresses "its gratitude to General de Gaulle and to his Government for their determination to achieve a genuine European agricultural policy."

(From: "Le Monde", 27th November 1963)

4. The Luxembourg Government and a reform of the European Institutions

The "Luxemburger Wort" of 16th November emphasizes the usefulness of the Luxembourg Government's plan for reforming the Community institutions which was submitted to the Community's Council of Ministers. The author recapitulates the broad outlines of this plan (i.e. improving relations between the Councils and Parliament, widening the Parliament's powers, notably in regard to budgets, merging the Executives, etc.) and goes on:

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"The Luxembourg initiative fits into the framework the Six wanted: that of the Action Programme which the Council of Ministers agreed upon in the summer and a large part of which was to be implemented before 31st December. At least that was the time limit by which the proposals concerning the European Parliament were to be examined.

Luxembourg is in a good position to put forward proposals of this type and, because of the esteem in which it is held, no one is better placed to press them home. Luxembourg's attitude both in 1961-62, in connexion with the Fouchet Committee (and therefore in regard to France and the problem of a political Europe), and in 1963, amidst the confusion and irritation (which some protracted unreasonably after the negotiations with Great Britain has been suspended), derived from the notion that reconciliation was essential. It has indeed been recognized on various occasions that this idea has always had a favourable reception from the smallest of the six countries.

Facts show that this attitude is the most fruitful for the progress of the European Community towards the federation or confederation objective. Today it must be recognized that if Great Britain entered the Common Market now, even the Fouchet Plan would be an unwise objective. Likewise the protracted irritation of last winter would be proved as ill-advised, for instance, as the refusal to open discussions with the French Government in April 1962. Impartial observers will now admit that Luxembourg followed the right course in 1961/1962 by showing more sympathy with the French view than its partners did. Its task of reconciliation was made easier thereby.

(From "Luxemburger Wort", 16th November 1963)

### 5. Call for an extension of the powers of the European Parliament

In an analysis of the Atlantic Partnership, Mr. von Brentano, Chairman of the CDU-CSU Group of the Bundestag, points out that a European economic policy cannot in the long run be achieved unless the external policies of Member States are brought into line, harmonized and "integrated". The urgent need to transfer political competence from the national to the Community level was making itself more and more forcibly felt, since sectors excluded from the sphere of national jurisdiction as a result of the economic integration process would of course have to be "taken over elsewhere and be looked after and administered in constitutional forms". The EEC Commission would thus have to attend to governmental functions to a greater extent than has hitherto been the case. This would entail an extension of the powers of the European Parliament "as it is only logical that supervisory functions should be lost to national parliaments

in sectors excluded from the national jurisdiction and be taken over by another competent parliamentary body". "We must follow this course", Mr. von Brentano continues, "if we are to ward off the criticism - unjustifiable, it seems to me, but nevertheless dangerous - that a technocracy is in course of creation that is neither subject to nor responsible for any genuine and effective control."

According to a proposal by Mr. Dufhues, Executive Chairman of the CDU (Christian Democrats), the German Federal Republic should be the first of the Member States of the EEC to allow its 36 representatives in the European Parliament to be elected by the people, on the occasion of the Bundestag elections in 1965.

The German "Europa-Union" supports this plan. In its opinion, so long as the EEC Council does not make a decision, the representatives to the European Parliament should be elected on the occasion of the next national parliamentary elections in all countries that are willing to follow such a line of action. The "Europa-Union" at the same time draws attention to the fact that not only direct suffrage but also the investment of the European Parliament with real legislative and supervisory powers is constantly becoming more and more urgent in view of the growing importance of decisions in the EEC.

Mr. Schmücker, Minister for Economic Affairs, also endorses the proposal by Mr. Dufhues. He calls for a "Parliament that has power to act and is endowed with a competence of its own" for "only thus can the dynamic force of European unification be maintained".

(Deutschland-Union-Dienst, 11th and 18th November;  
Die Welt, 7th November 1963)

At a meeting held in Lyons on 2nd December, under the aegis of the "Federation" movement, Mr. André Rossi (Rassemblement démocratique) and Mr. Charles Bosson (Centre démocratique) explained the reasoning behind their draft bill calling for elections to the European Parliament by direct universal suffrage to be scheduled for 9th May 1965.

The two French Deputies maintained that public opinion, which largely supported the idea of a genuine Europe endowed with a political power of arbitration, should bring pressure to bear on parliamentarians, whatever their political allegiances, to obtain a decision which depends on them. Indeed, while the setting up of a supranational Executive is a matter for governments, elections to the European Parliament by direct universal suffrage, as provided for in the Treaty of Rome, is a matter for the elected representatives in each country. It is therefore up to them, and especially the French members, to speak their mind without

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equivocation.

(Le Monde, 4th December 1963)

### 6. The Italian policy on European unity: statement by President Moro

Introducing his Cabinet to the Chamber of Deputies, Mr. Moro, President of the Council of Ministers, stated that Italy would continue to follow a policy of working for European solidarity through economic and political integration on a democratic, non-partisan basis. Mr. Moro went on to state that his Government intended to take cogent measures to overcome the barriers raised - by means of moves alien to the aims of the Rome Treaty - to the creation of the democratic unity of Europe.

Action would be taken at every political and economic level in the Community and both Parliament and country would be associated with this action. The plan for elections to the European Parliament by universal suffrage would also be promoted.

(Chamber of Deputies, summary of the minutes 12/12/63)

### 7. Statement by Mr. Spaak on the political integration of Europe

During the session of 11th December 1963, when the foreign affairs budget for 1964 was discussed, Mr. Spaak, Deputy Prime Minister and Minister for Foreign Affairs, expressed his views on the form a political revival of Europe could take. He stated that he did not propose to take the initiative with respect to such a revival but that he could not refrain from observing that, since April 1962, the concept of a political Europe had not made any headway. Public opinion, furthermore, which had come out so strongly in support of the construction of Europe, and thus contributed to speeding up its progress, was today hesitant, wondering if Europe would become united. It was for this reason that Mr. Spaak felt that a revival was desirable.

The Minister for Foreign Affairs thought of this revival as being halfway between the "Fouchet" plan - which he found inadequate - and the federal plan, which today had no chance of success. In his opinion, no one could deny that the existence of the European Commission had been one of the prime factors in the success of the Common Market. Under the circumstances, it would be advisable to extend the experience gained economically into the political, military and cultural fields. Given his fundamental convictions, Mr. Spaak was making a major concession in this proposal, which had the practical advantage of being conducive to a dialogue between the Community body and the national governments.

With regard to Europe's relations with the United Kingdom the Minister for Foreign Affairs felt that the latter should be kept informed of talks on the political revival of Europe. It would be useless to wait until after the election for Great Britain to define her attitude before going a stage further in the construction of Europe. Such a "wait-and-see" attitude would be the less advisable because it was not absolutely necessary to belong to the economic Europe to become a member of the political Community.

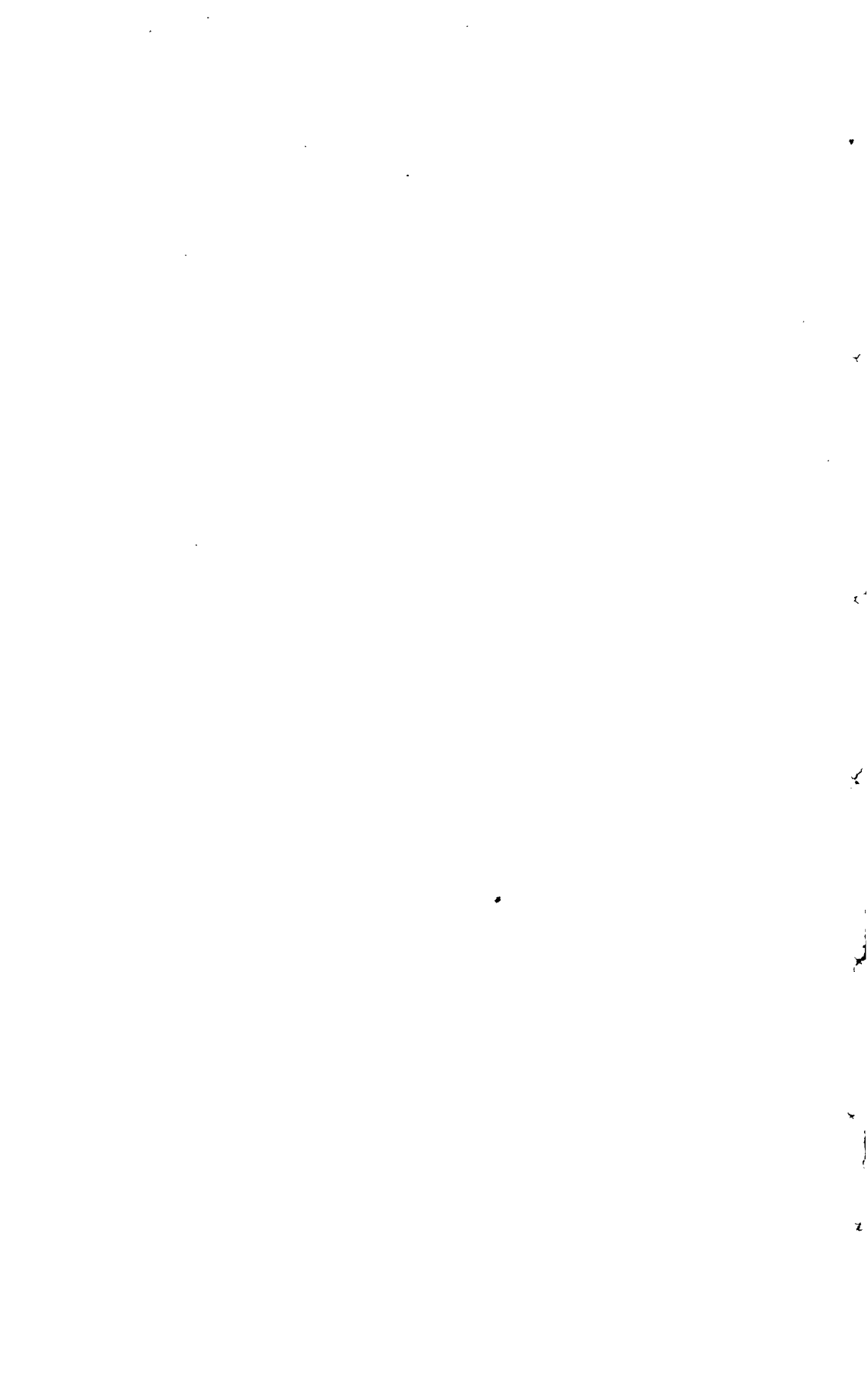
(Summary record, Chamber of Deputies, 11th December 1963)

8. The Christian Democratic Party is for European unity

The Chairman and General Secretaries of the Christian Democratic Parties in the EEC Member Countries passed a resolution in Brussels on 10th December 1963, recalling that the creation of a political community with genuine decision-taking bodies should be, now as before, the object of all efforts. The Governments were asked to work unremittingly towards this aim. In particular the three Executives had to be merged, the powers of the European Parliament widened and the Parliament itself had to be elected by universal suffrage.

The Christian Democratic Party considered that new moves were needed to extend the work for European unity in the realms of foreign policy, defence and culture. The aim remained a European union which would enjoy equal rights in partnership with the USA, which would fulfil its defence obligations in NATO and which would be capable of assisting the developing countries. If the first stage was to be a closer co-operation between the governments of the various countries in question, then the possibility of a further development in the integration elements must remain open. From the outset, a political union, at least in regard to preparing decisions, had to have a Community body by virtue of which the general interest of the united peoples could be served.

(Deutschland-Union-Dienst, 12th December 1963)



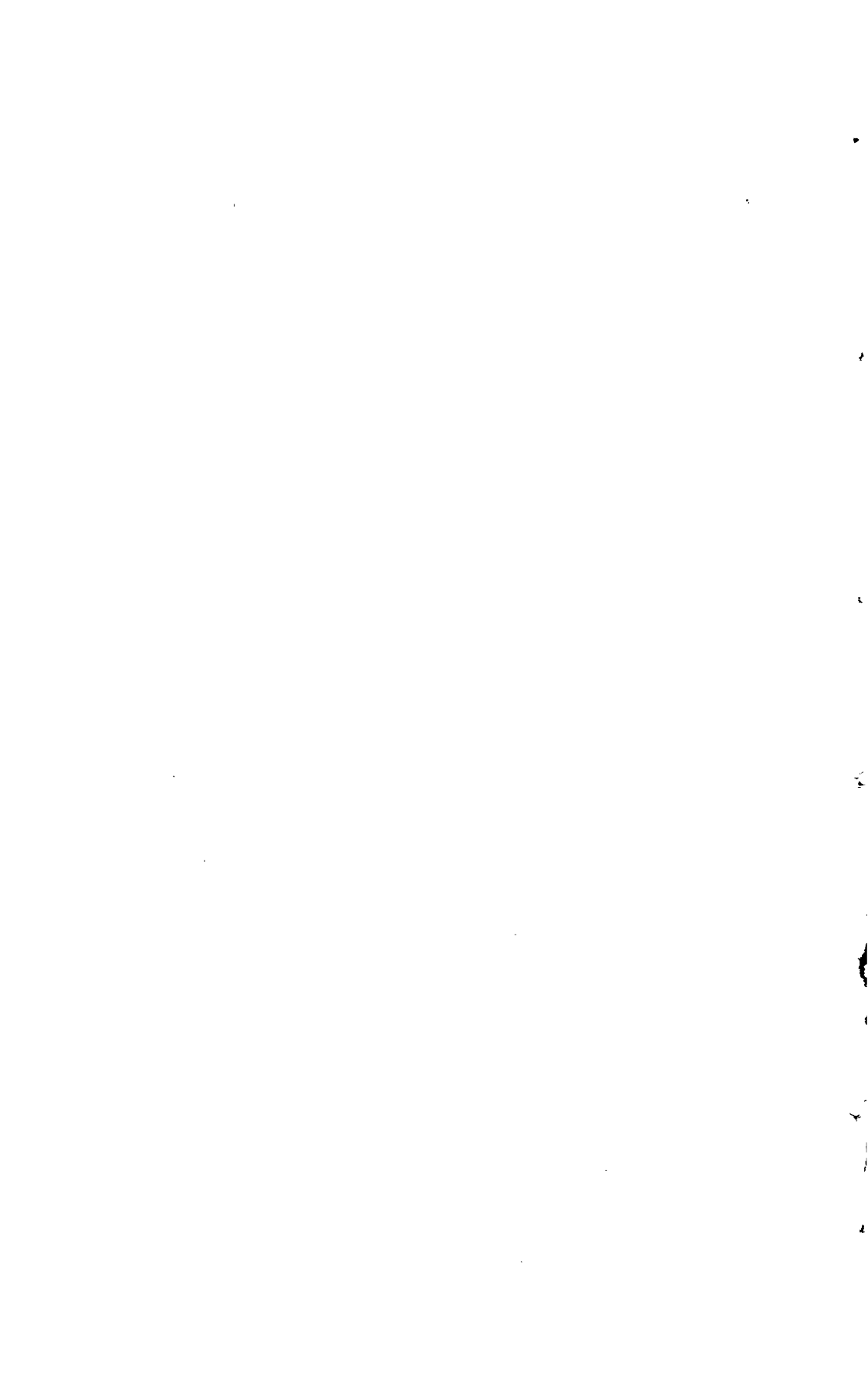
## II. ASSOCIATION WITH THE AFRICAN STATES AND MADAGASCAR

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### Chronological summary

- 4th November: Final approval by the EEC Council of the Convention of Association between the EEC and the Associated African States and Madagascar.
- 19th November: First meeting in Brussels of the Interim Committee set up as a result of the signing of the Convention of Association between the EEC and the Associated African States and Madagascar.

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### III. EXTERNAL RELATIONS

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#### Chronological summary

##### Austria

4th November: Resumption of the preliminary talks between the EEC Commission and the Austrian Mission to the European Communities on Austria's future relations with the EEC.

##### United States

4th-9th November: Visit to the Benelux Countries of Mr. Lyndon Johnson

11th-15th November: Euro-American Symposium in Amsterdam on national agricultural policy and trade expansion.

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#### 1. Official visit to the Benelux countries of Mr. Lyndon Johnson

As Vice-President of the United States, Mr. Lyndon Johnson made the following statement in Rotterdam on 6th November 1963 in the course of an official visit to the Benelux countries:

Two things had to go together: European unity and Atlantic partnership. Unity was Europe's own work, but partnership could be achieved only by Europe and America working together. Both had to go hand in hand, and everything depended above all on agreement being reached on agriculture. The common agricultural policy was an important factor for the success of the Geneva negotiations on import duties. The choice was between progress for all or stagnation - a choice which at the same time was a challenge.

Dealing with the forthcoming GATT negotiations, Vice-President Johnson stated that the Americans would remove obstacles to trade as completely as possible. In exchange for increased access for American products to the European market, the Americans would open up the vast market of the U.S.A. to European exporters.

## External relations

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As regards the agricultural policy of the Six, in which the grain price was the central issue, the Vice-President warned that rational liberalization could not be achieved if the EEC moved in the direction of protectionism in this matter. The special nature of agricultural problems both in the United States and in Western Europe would necessitate a transitional arrangement extending over a long period.

At a dinner in Brussels, Vice-President Johnson spoke on the possibilities of European control of nuclear strategy. Two American governments had held the view that the danger of war could be resisted by a combination of American rockets in the United States and American medium-range rockets carried by an Allied fleet in European waters, under multilateral control and manned by multilateral crews, and owned jointly. The efforts being made towards an Atlantic partnership would make this possible. The trend towards European unity made this desirable as a first step if Europe wanted a greater say on nuclear questions. The possibility of a trend towards European control while Europe moved forward along the path of unification should by no means be ruled out.

A desire for unity was the dominant force in Europe while among Americans the spirit of partnership prevailed.

The United States was also a member of other partnerships but would find it difficult to discharge its other obligations, even partially, if it failed to discharge them in Europe. The interests of the United States lay not in withdrawing from, but in participating in Transatlantic affairs.

(Nieuwe Rotterdamse Courant, 6th-9th November 1963;  
New York Times, 9th November 1963)

### 2. Euro-American Symposium on national agricultural policy and trade expansion

The closing day of the Euro-American Symposium, held in Amsterdam on the occasion of the American Food and Agricultural Show from 11-15th November, was devoted to national agricultural policy and the expansion of trade. The speakers included Mr. S.L. Mansholt, Vice-President of the EEC Commission, the British Minister for Agriculture, Mr. Christopher Soames and the American Minister for Agriculture, Mr. Orville Freeman.

Mr. Mansholt stated that the discussion should deal with agricultural policy as a whole and not merely with tariffs and quotas. At the forthcoming GATT negotiations, agricultural policy should in his opinion be considered at both national and international levels. The agricultural policies of the different countries should be compared so that they could be co-ordinated.

The EEC Commission had therefore proposed to the Council:

- consolidation of the level of protection provided by States and negotiations on this subject, the emphasis being placed on the existing level of subsidies and price support measures. This implied a restriction on the freedom of the GATT countries with regard to their domestic agricultural policies;
- ban on preferential treatment of one country on the market of another;
- international agreements with a view to adjusting production to demand.

This would enable the GATT partners to draft the section on agriculture at present missing from the General Agreement.

The essential factor for the common agricultural policy, according to Mr. Mansholt, lay in establishing a common price for cereals. In this connexion, special attention would have to be paid to the delicate problem posed by France's reserves of cultivable land. Any decision that failed to make adequate allowance for this could result not only in the EEC itself producing the 10 million tons of cereals at present imported each year, but also in surpluses. Productivity should therefore be stepped up only with increases in demand while imports should be maintained on a long-term basis. This - Mr. Mansholt explained - was why the Commission had proposed a European wheat price of 400 DM (or 493 NF). This represented an increase of 9 per cent over the previous year but would not - in the opinion of the EEC Commission - lead to an appreciable extension of wheat-growing areas.

Finally, Mr. Mansholt pointed out that the share of world trade of the United States and the Soviet Union was equivalent to 7 per cent of their national income as compared with 24 per cent for the EEC. This clearly showed that it was in the interest of the EEC that a satisfactory solution should be found to problems of world trade.

Mr. Soames, British Minister of Agriculture, then stressed the continuing importance of agriculture for the industrialized countries of the West: the annual value of trade in agricultural products accounted for 25 per cent of world trade. However, because of its dependence on natural and climatic conditions, agriculture could not be placed on the same footing as other branches of the economy. Trade in agricultural products should therefore be accorded more flexible treatment during international negotiations than trade in industrial goods. Minimum prices and quotas, went on Mr. Soames, might well be advisable. They should not however be allowed to lead to rigidity of the market.

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Finally, Mr. Soames warned that the granting of agricultural surpluses to needy countries should not be regarded as a panacea as it could easily result in the indefinite postponing of price changes that were indispensable for the agricultural policy.

Mr. Freeman, U.S. Minister of Agriculture, stated that four basic principles should be observed in establishing the national agricultural programme:

- opening up of markets
- maintenance of existing stocks
- aid for needy populations
- stimulating multilateral trade.

### Opening up of markets

The speaker outlined six American requirements for regulating the world cereal market:

- 1) It must be acknowledged that the main objective consists in developing and expanding world trade in cereals by improving outlets for efficient producers.
- 2) An international trading price scale must be introduced for wheat and cereals for fodder in line with the existing international wheat agreement;
- 3) Importing countries must pursue a moderate price policy so as to avoid any extension of uneconomic cereal production;
- 4) Importing countries must provide a guarantee that their markets will always remain open;
- 5) There should be general responsibility for the maintenance of a fixed level of stocks;
- 6) Measures should be introduced to ensure a fair division of responsibility as between industrialized countries for supplying developing countries with basic foodstuffs.

### Maintenance of existing stocks

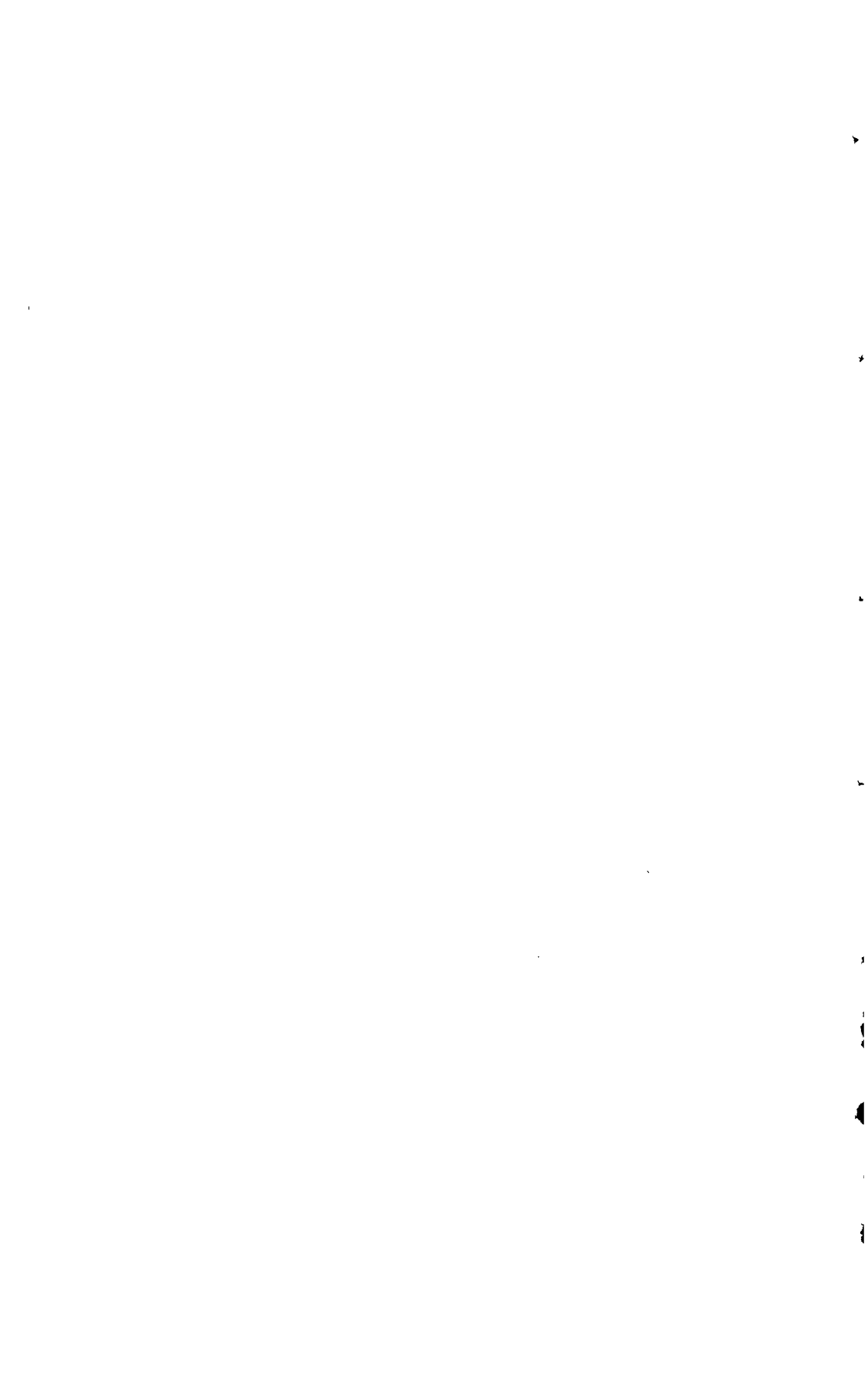
In this connexion, the speaker proposed the setting up of national foodbanks, each country becoming responsible for maintaining its quota of world reserves of cereals at a constant level. This would necessitate, inter alia, voluntary stocking of considerable quantities of cereals from the country's own production or even imports of cereals. Such stocks should not be regarded as "surpluses" but as essential reserves.

Aid for needy populations

Mr. Freeman pointed out that the stocks of food held by Atlantic Community countries should by 1980 be sufficient to cover the shortage in developing countries.

Stimulating multilateral trade

The American Minister of Agriculture observed that bilateral agreements no longer satisfied modern requirements. They hindered optimum distribution of resources throughout the world and were the instrument of a self-centred rather than an outward-looking Community. Multilateral negotiations, if they were to be successful, should cover both agricultural and industrial products. During the coming GATT negotiations, the American government would therefore insist on these products being treated as a whole.



## IV. ECONOMIC POLICY AND INDIVIDUAL SECTORS

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### Chronological summary

#### Agricultural policy

- 4th November: Transmission to the Council of proposals by the EEC Commission for establishing a common price level for cereals.
- 6th November: In a letter to the Dutch Government the "Landbouwschap" (Agricultural Council) concludes that the Netherlands must co-operate in a positive way, within the Council of Ministers of the EEC, concerning decisions on proposals by the EEC Commission in respect of dairy products, beef, rice, and the Guidance and Guarantee Fund.
- 15th November: Publication of a manifesto issued in Strasbourg by the professional farming organizations of the EEC.
- 16th-23rd December: Adoption by the EEC Council of a number of agricultural policy decisions.

#### Taxation questions

- 14th November: Resolution by the Standing Conference of the Chambers of Commerce and Industry of the EEC States for the harmonization of turnover taxes.

#### Competition policy

- 5th November: Decision of the EEC Council to extend the period of notice for old cartels from 1st January 1964 to 1st January 1967 (Amendment to Regulation No. 17)

1. The European farmers and the EEC's plan for agriculture

Six hundred leading farmers from the Community countries met in Strasbourg on 15th November: the meeting was organized, for information purposes, by the "Committee of National Farmers' Unions" (COPA).

Mr. Deleau, the Committee Chairman, stressed that the object of this meeting was to demonstrate, at this important juncture, the complete solidarity of European farmers in wanting to make a genuine Community in which agriculture has its rightful place.

On the formulation of a common agricultural policy, Mr. Deleau said that the regulations that had already been passed were tools well made for implementing such a policy; but he deplored the delays over the regulations for organizing the rice, beef and dairy produce markets and consequent delays over the texts for implementing the financial regulations which will govern the whole system's operation.

These delays have thrown farming off balance because half the markets are still under national regulations, because of the diversity of production in the six countries and because the texts already passed do not have the same bearing for all. Farmers are left uncertain about which course to follow in their activity and about the type of production they should choose to go in for.

COPA's Chairman repeated that EEC farmers want to obtain fair prices so that farms of a reasonable size, which are reasonably mechanized and soundly managed, may show a return, on work done and capital invested, on a par with that obtained by other comparable activities. Any price approximation measure, any policy leading to a drop in the already inadequate farm incomes, would be inadmissible.

Regarding trade with third countries, the speaker indicated that agriculture did not claim it could satisfy the needs of the EEC in their entirety; but the farmers did not want to see agriculture sacrificed to external pressure for common trade policy considerations.

European agriculture ought to be the first to get the benefit of the increased food requirements resulting from the population increase and higher living standards. It is, moreover, not certain that the EEC's industrial growth necessarily involves extensive exports of industrial products against extensive imports of agricultural products. In connexion with the opening of tariff negotiations between the Six and the United States, the speaker regretted that the Trade Expansion Act touches on agricultural problems solely from the strictly commercial standpoint. It was necessary, he said, for others to be guided by the example of the Community, which was now showing that, in



order to solve the problem of trade in farm products, one had to normalize the market situation and accept the discipline of two-way commitments going beyond the purely commercial aspects of the problem. It is necessary for the world markets to be put in order, to ensure that the interests of European agriculture are respected.

In conclusion, the COPA Chairman repeated that while the farmers' support for the Community was beyond doubt, their Community spirit was often found wanting. They tended to judge proposed reforms in terms of prejudice to their own interests that these involved. This apathy among farmers was also found in industry and commerce and especially among the states themselves.

When one embarks on a joint venture one cannot allow national susceptibilities to intrude and block all progress. Therefore the COPA Chairman called for the creation of a European Assembly elected by universal suffrage; he considered that the various states held their authority from the people and that it was for the people themselves to say to what extent they wished to delegate this authority.

The COPA Chairman's conclusions were embodied in a statement which the farmers adopted at the close of their meeting.

(From "Le Monde", 16th November 1963)

## 2. France's European policy for agriculture

On 4th November when the Ministry of Agriculture's estimates were being debated on in the National Assembly, the Minister for Agriculture, Mr. Pisani, said inter alia: "To a large extent the future of agriculture in Europe and in France particularly, will depend on the forthcoming negotiations. It is not a question of foisting the burden of our own problems upon others, but of opening a wider market and, in this way, giving the farming industry in each state opportunities which its national market cannot offer. We are giving ourselves to this task with determination and enthusiasm.

In accordance with the deliberations of last May, we are due, by 31st December, to settle the questions of rice, meat and milk. For rice, there are no longer any major technical problems. For meat, the bulk of the problems has been solved. For milk, we are entering upon the decisive phase.

Why has our head of State laid such emphasis on the 31st December? Because this represents an undertaking - a substitute for an earlier one - to settle these questions by 31st December 1962. Could one take the European venture

seriously if this new undertaking were not fulfilled? Europe would look a sorry figure with only industrial integration going forward. The 31st December 1963 deadline expresses a political imperative: for Europe to meet its commitments.

Also pending in Brussels are regulations for implementing the financial regulation and, most important, for the approximation of agricultural prices - cereal prices in particular. I do not know if we shall be able to achieve this approximation in a single stage, but I do know that the future of the Common Market depends on it. I can well imagine the difficulties which must be facing the German Minister for Agriculture .....

Because I have become an old hand at these negotiations, I think I may say that there is a real chance of success if everyone demonstrates a genuine spirit of goodwill."

(From Journal officiel - Débats parlementaires  
Assemblée Nationale - 5th November 1963)

### 3. Comments on the cereal price proposals of the EEC Commission

The German trade union organizations IBFG and IBCG, whose representatives took note, in Brussels on 15th November, of the EEC proposals for fixing a common price level for cereals, welcome the Commission's initiative in recommending that prices should be aligned "in one stage". They regard the proposed measures as an acceptable first step to achieving the social and economic objectives of the common agricultural policy. The level and structures of the common price for cereals should in their opinion provide a reasonable basis for discussion during the forthcoming GATT negotiations and at the same time dispel the fears entertained by third countries of a self-sufficient and protectionist common agricultural policy.

The trade unions recognize the justifiable need for adopting compensatory measures over a transitional period of specified duration so as to mitigate the prejudice to farmers and agricultural workers of aligning the price of cereals "in one stage".

Nevertheless, the trade unions regret that the proposals of the Commission contain no helpful suggestions regarding compensation for the additional burdens that must be borne by consumers in some Community countries as a result of the increased prices of wheat and/or cereals for fodder. In this connexion, they stress the possibility of checking the rise in various producer prices by streamlining the machinery of distribution and by controlling trade margins.

As regards financing and the method of applying compensatory measures, the trade unions consider that directives should be drawn up at Community level. Farmers and wage-earners engaged in agriculture, and employers and workers in the processing industry concerned, must be induced to play their part together with consumers through their appropriate associations, in fixing and implementing these measures both at the Community and national level.

In view of the increasing importance of the Agricultural Guidance and Guarantee Fund in the field of compensatory measures arising from the fixing of a common cereals price level, the trade unions stress the need for effective parliamentary control of the budget of the Fund at Community level, with a view to investing the European Parliament with the necessary competence to take over democratic control of large financial resources - a task that can no longer be carried out at State level.

The trade unions also insist on the urgent need for putting into effect the agricultural structural policy - an important factor in achieving the objectives of the common agricultural policy.

Finally, they demand that the adoption of the agricultural social policy - an integral part of the common agricultural policy - should be speeded up, so that all engaged in agriculture can be assured of a living standard comparable to that prevailing in other branches of the economy.

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In a statement dealing with questions of European integration, the Federal Association of German Industries attaches "vital importance" to the new EEC proposals for the alignment of prices for cereals in view of the future development of the EEC and relations with third countries. According to this statement, the decision of the Council of Ministers will materially influence not only the direction taken by the agricultural policy but also the future of the EEC. The proposal for the establishment of a common European price level for cereals was of particular importance. The uniform cereal price, in conjunction with the contemplated utilization of resources from the European Fund to compensate losses in earnings, and contributions from the "Green Plan", would make possible the longer-term arrangements that German agriculture required to enable it to come into line with the common agricultural market. The conversion difficulties arising from this process of adjustment also called for understanding on the part of the other partner countries. The decision on the German price for cereals should not be delayed to the extent where the Federal Government could be outvoted in the Council of Ministers.

German agriculture, on the other hand, is opposed to the plans of the EEC Commission, above all because of the losses in earnings to be expected. A preliminary inquiry, writes the "Rheinische Bauernzeitung", has already shown that these plans can on no account win the approval of West German agriculture. They also conflict with the attitude hitherto adopted by the Federal Government and with the promise made by Federal Minister Schwarz, that a reduction of the West German cereals price could not be discussed until adequate and permanent compensation of losses in earnings had been guaranteed. Neither of these conditions is referred to in the Brussels proposals. Moreover, the adjustment of cost differences that can be influenced by the State is not even hinted at. Under these circumstances, an overwhelming majority in the Bundestag will undoubtedly call on the Federal Government to impose a decisive veto in Brussels.

(Mitteilungen des Europäischen Gewerkschaftssekretariats IBFG, 19th November; Handelsblatt, 13th November; Rheinische Bauernzeitung, 9th November 1963)

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The General Wheat Producers' Association, directly affected by the EEC Commission's proposals on cereal prices, issued a statement on 6th November in which is expressed its interest in this plan. "However", it observes, "this is a Community proposal which affects the interests of farmers in the six countries. It is therefore within the framework of their common organization, the COPA (Committee of the EEC National Farmers' Unions), that the French farmers will, with their foreign colleagues, study the common position to be taken by European agriculture".

However, the French cereal producers wonder whether Mr. Mansholt is really trying to get a single price for cereals by July 1964 or whether this is not merely a manoeuvre intended to overcome the German reservations. By precipitating events, it is being said in Paris, is not the Commission Vice-President trying to provoke protests from the German farmers? This would put him in a very strong position to advance, as a compromise solution, his initial plan for effecting a price approximation in stages over six years and which the Germans have so far rejected out of hand.

The French Cereal Producers consider that the French Government will never allow them to take the full additional profits that the "Mansholt Plan" will enable them to make; they expect new taxes to be introduced.

Some of them continue, nonetheless, to think that the increase in the nominal price of wheat could have been higher

than the 8 per cent promised by Mr. Mansholt, had this been spread over several stages between now and 1970. They feel that if production costs rise, it will be more difficult to adjust a European price than national prices.

They are aware that they represent only a small fraction of French agriculture even though the power of their organization often leads them to act as spokesmen for farming interests generally, especially in the European context. Clearly the interests of livestock farmers using cereals is not the same, when it comes to prices, as that of the cereal producers and it should not be forgotten that cereals represent only 10 per cent of French agricultural incomes, whereas dairy and cattle farming (beef, pork, milk, eggs and poultry) represent nearly 50 per cent.

The French farmers wish to do nothing which might prejudice farming interests in the other Community countries. The wheat producers' statement is quite definite on this point.

(From "Le Monde", 8th November 1963)

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The National Assembly's "Democratic Party of the Centre", of which M. René Pleven is now Chairman and which includes the MRP members, supports the Mansholt Plan. The Democratic Party heard M. Charpentier's report on the Plan, submitted on behalf of the EEC Commission, and "notes with satisfaction the comprehensive solution worked out by this Community body. It appears likely to strengthen solidarity between Community Member States and to promote a balanced development of European agriculture.

It hopes that the Governments will reach agreement in defining and implementing a common agricultural policy, on the basis of the Mansholt Plan, which will further the construction of a Community Europe."

(From "Le Monde", 22nd November 1963)

4. The French and European textile industries in the light of the GATT multilateral negotiations

The Central Committee for Wool expresses concern about the forthcoming GATT tariff negotiations. "The European wool industry, being both an exporter to third countries and threatened by foreign competition on the Common Market, considers that the

## Economic policy and individual sectors

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negotiations in progress cannot be brought to a conclusion without a clear and satisfactory definition of the principles for harmonizing customs duties."

"European industry is competing with three economic systems: the first (United States) characterized by a powerful concentration of financial and technical resources and a high level of protective tariffs; the second (Asiatic countries) by abnormally low labour costs; and the third (Communist states) by absolute state control. The resulting distortion of the conditions of international competition is clearly detrimental to Western industry."

With regard to the discussions in progress, the French Wool Industry has the following three comments to make:

"If, as has often been suggested, the disparity threshold were fixed at 30 per cent for the highest duty, and if the disparity in relation to the lowest duty should be 10 points, certain semi-finished products such as yarns and worsteds - in which, actually, there is considerable international trade - would remain outside the scope of harmonization, despite the obvious disparities that exist.

If, moreover, to this criterion were added another, namely that the United States would have to be the EEC's main supplier before a disparity affecting it was taken into consideration, not a single woollen product would remain in the disparity list. This would amount to perpetuating the grave imbalance at present existing as between the Community's external tariff and that of the other major wool-processing countries - this at the very moment when the American wool industry is increasing its pressure for a world agreement to be negotiated on trade in wool products, as a result of which it expects to restrict imports into its market.

The misgivings of the wool industry of the Common Market have not been completely allayed by the latest proposals of the European Commission, although these appear to be more reassuring. Having paid a sufficiently heavy toll towards the construction of Europe, the industry fears, in short, that it may be forced to accept the 50 per cent linear reduction proposed by the United States - a measure that would preserve for that country, for example for woollen fabrics, a more than ample degree of protection, while the common external tariff would gradually lose its effectiveness."

The main preoccupation of European industrialists is with imports from countries that produce textiles at very low prices, i.e. the Asiatic countries (Japan, Pakistan, Hong Kong and India).

"It will no doubt be recalled that during the negotiations for the United Kingdom's entry into the Common Market the question of textiles from these countries, whose interests Great Britain sought directly to protect, was one of the technical stumbling blocks.

Today, these countries, which are securing an increasing share of international trade (34 per cent of world exports), are liable to be especially favoured if, under GATT, they benefit from the most favoured nation clause.

While the EEC industries would have an opportunity to expand their exports only in the case of luxury and fashion goods, they would have to compete at home and on the markets of other industrial countries, with Asiatic countries manufacturing at far lower costs.

The ensuing disorganization of markets would be considerable.

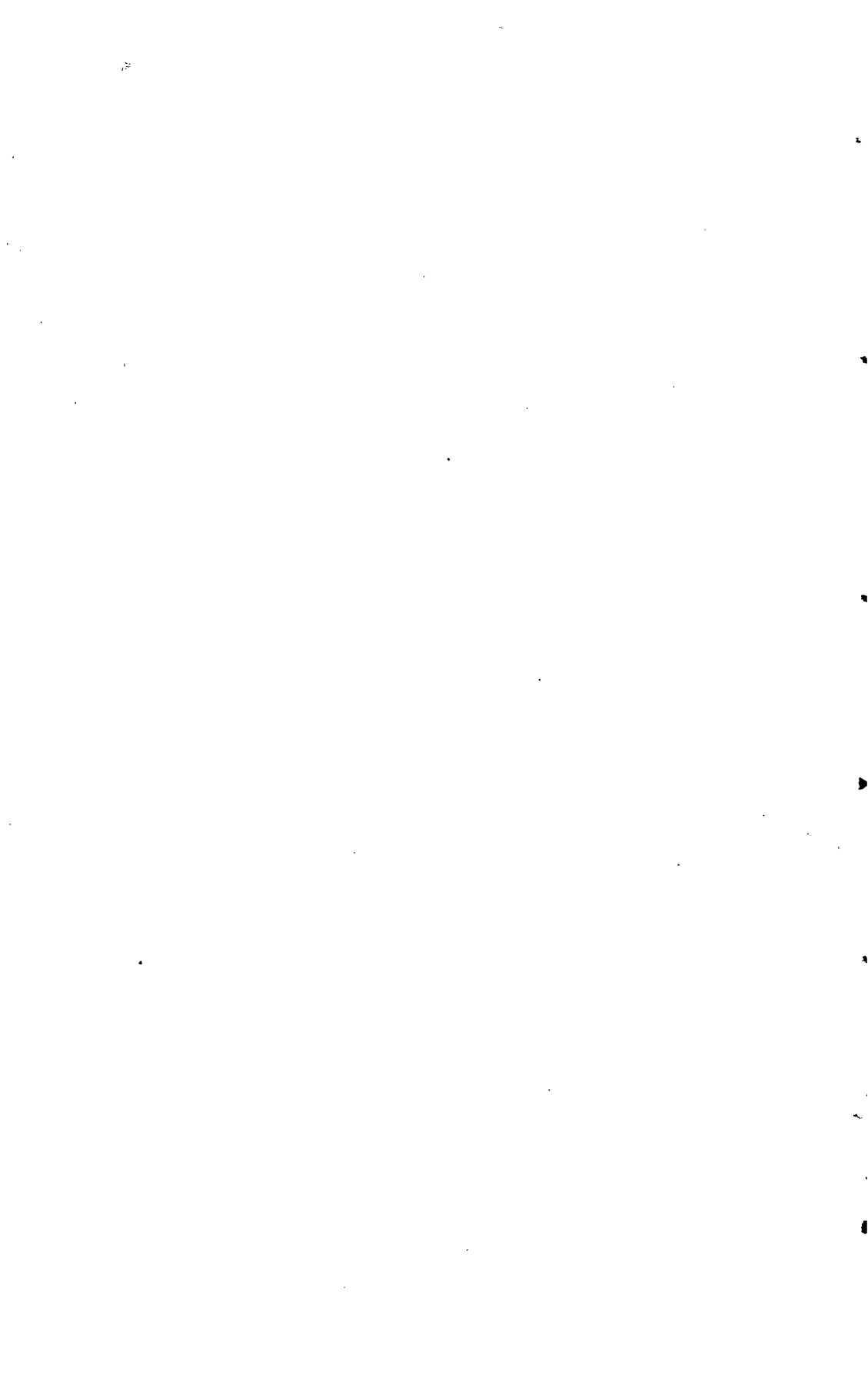
The European countries realize that this problem cannot be considered solely from the tariff standpoint. They do, however, ask that all industrialized countries should face this competition under the same or comparable conditions. Reducing the disparities that at present exist as between the EEC and the United States would have the additional advantage of providing access to the American market for a number of products such as woollen goods, man-made fibres and knitted goods."

These demands are clearly expressed by the French industry when it states:

Accepting that some markets should remain protected while the European Community was left wide open to competition would result in a flood of foreign imports into the Common Market, while in other countries, such as the United States, markets would be gradually relieved of the pressure of imports.

It is therefore only by appropriate adjustment of the more obvious disparities in tariffs that it will be possible to achieve a balanced expansion of trade in wool products among the various countries and to avoid "disorganization of markets with all the economic and social repercussions this entails."

(La Correspondance Economique, a weekly review,  
19th December 1963)





PART II  
THE PARLIAMENTS

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Chronological summary

I. EUROPEAN PARLIAMENT

- 25th-29th November: Session of the European Parliament in Strasbourg.
- 25th November: Tribute to President John F. Kennedy.
- 26th November: Inaugural address by Mr. Del Bo, President of the High Authority.
- Re-appointment or replacement of members of the High Authority (oral question).
- 26th and  
28th November: Colloquy with the Councils and the three Executives on the Community's policy regarding the main development problems of world trade.
- 27th November: Common price level for cereals.
- Freedom of establishment and freedom to supply services.
- Budget of the EEC and Euratom.
- European Agricultural Guidance and Guarantee Fund (oral question).
- 28th November: Convention of Association between the EEC and Turkey.
- Exchange of young workers.
- Social aspects of the common energy policy.
- Casual employment of students during vacations.

## The parliaments

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### II. NATIONAL PARLIAMENTS

#### Germany

- 6th November: Bundestag  
Adoption of a decree amending and supplementing the decree on subsidies to miners.
- 7th November: Reply by Mr. Dahlgrün, Federal Minister of Finance, to a parliamentary question concerning the Budget of the European Parliament.
- 14th November: Adoption of a resolution by the Committee for Food, Agriculture and Forestry concerning EEC Regulations Nos. 20 to 23.  
  
Adoption of a decision on the EEC draft directive concerning weights and dimensions of commercial motor vehicles approved for transport between Member States.
- 18th November: Reply by Mr. Dahlgrün, Federal Minister of Finance, to a brief question concerning the European Agricultural Guidance and Guarantee Fund.
- 4th December: Adoption of a resolution relating to the EEC draft regulation for implementing supplements to EEC Council Regulation 36/63 on the social security of frontier workers.
- 11th December: Ratification of the agreement of 13th November 1962 on the amendment to the Treaty instituting the European Economic Community for the purpose of association with the Netherlands Antilles.

#### Bundesrat

- 29th November: Approval of the EEC/AASM (Associated African States and Madagascar) Association Convention.
- 20th December: Adoption of resolutions on  
- the draft EEC regulation on the provisions for the participation of the European Agricultural Guidance and Guarantee Fund,  
- EEC deliberations on the progressive establishment of common market regulations for milk and dairy produce, beef and rice.

Belgium

28th November and  
5th December

The Convention of Association between the EEC and the African States and Madagascar debated and approved by the Chamber of Representatives.

France

4th November

Debate in the French National Assembly on agricultural estimates and, in particular, on the EEC's common policy for agriculture (see Part I).

15th November

Debate in the French Senate on agricultural estimates and, in particular, on the EEC's common policy for agriculture.

20th November

Statement on the Mansholt Plan by the French National Assembly's Democratic Party of the Centre (see Part I).

4th December

Ratification, by the National Assembly, of the EEC/Netherlands Antilles, EEC/AASM, EEC/Turkey Association Conventions.

Netherlands

6th-8th November  
12th December

Public Debate on the Foreign Affairs Budget in the Second Chamber. Comments on European Political Union.

13th November

In reply to a parliamentary question by Mr. Nederhorst, Socialist M.P., Mr. Andriessen, Minister for Economic Affairs, explains the Dutch standpoint regarding the European Miner's Code.

20th-21st November

The Economic Affairs Budget in the Second Chamber.

21st November

Parliamentary question by Mr. Blaisse, Christian Democratic M.P., on the co-ordination of the energy policy.

29th November

Replies to parliamentary questions concerning amendments to the 1964 Budget of the European Parliament.

4th-5th December

Debate in the Second Chamber on the Agricultural and Fisheries Budget.

The parliaments

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III. OTHER PARLIAMENTARY COMMITTEES

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2nd-5th December: Meeting in Paris of the Western European  
Union Council.

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## I. EUROPEAN PARLIAMENT

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### November 1963 Session of the European Parliament

#### Tribute to President John F. Kennedy

The opening session on 25th November was devoted to the memory of John F. Kennedy, President of the United States, who had fallen a victim to assassination three days previously.

A tribute of respect was paid in turn by Gaetano Martino, President of the European Parliament, L. de Block, Secretary of State for Foreign Affairs of the Kingdom of the Netherlands, representing the Councils of Ministers, W. Hallstein, President of the EEC Commission, E. Medi, Vice-President of the Euratom Commission and D. Del Bo, President of the High Authority. All rendered homage to the work and personality of Kennedy with whose death - in the words of President Martino - "the cause of European unity had lost a great friend and ally, ... one of the most brilliant and courageous men, richly endowed with creative spirit and irresistible energy, that have been called upon to play a predominant part in world politics - one of the loftiest and most inspiring spirits that have been born to honour and uplift the condition of mankind". President Martino stressed that it was now "our duty to resolve jealously to cherish the message he has left us and to continue on the path that he helped to open up and which he frequently described as the only one offered by history which alone can preserve, for us and for our children, the freedom and dignity of Man, which is the basis of all that makes life worth living".

It was to John F. Kennedy, President Hallstein went on to say, that Europe was indebted for the idea of the Atlantic Partnership. It was only now that we perceived the full implication of this offer, this project of "full give and take, an appeal to us, which we cannot afford to ignore, to create the conditions necessary for the Atlantic Partnership, right here on the Old Continent, thus justifying the faith placed in us by the New World, the world of the departed President. ... Let us help to crown his great achievement!"

As a sign of mourning, the Parliament adjourned till the following day.

#### Statement by the President of the High Authority

On 26th November the President of the High Authority delivered his investiture address in the European Parliament.

President Del Bo began by emphasizing the need above all to maintain a close unity of action between the ECSC and the other Community institutions which, while scrupulously keeping

## European Parliament

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to their respective responsibilities, all pursue the same objective of economic integration for the Six - a prerequisite if political integration is to follow.

The High Authority is furthermore convinced that it is desirable to maintain close links with the other states in Europe, with the United States and Japan - both major producing countries - as well as with the developing countries.

At this point Mr. Del Bo, referring to the European Parliament, stressed that present times were characterized by the ever more impressive transition of Europe from the national pattern to the Community pattern. This could not be achieved without increasingly wider recognition of the responsibilities of the European Parliament. For Parliament provided a place for meetings which, even if at times somewhat lively and difficult, were always friendly, between the national governments and the European parliamentarians, continually urged forward in a concern for an ever wider sphere of Community affairs. And while it is understandable that at the beginning almost the whole responsibility for the Community was assigned to the Executives, today, given a situation which has now become a reality, the prerogatives of the Parliament should be increased. The Parliament's essential sovereignty could not go unrecognized and it was to be hoped that it would become rooted in universal suffrage.

From the institutional standpoint, the Executives of the three Communities should be merged at an early date in anticipation of the Communities themselves becoming merged. In discussions on these questions, the High Authority did not intend any appreciable abdication of its functions. It would, on the contrary, work from the principles of the Paris Treaty, developing them in the interests of European integration and being careful to retain the aims agreed upon.

Reviewing current difficulties facing the ECSC industries, President Del Bo stressed that the interest of the Member States of the Community lay in not becoming countries where the economic concern was wholly with trade or in which there were only processing industries, with the consequent disappearance of any basic industry. Community firms were today going through a period of change. This reality had to be borne in mind if one were to avoid the danger of each State acting independently in order to preserve a purely national equilibrium. This was why the High Authority maintained that the Treaty should be rounded off to make allowance for the needs of the coal mines. These firms, indeed, had to rely on a system of aid; but this had to be Community aid under Community control.

It was obvious that the coal problem had to be studied in relation to the more general question of the common energy policy. In this matter, the High Authority hoped to overcome

the objections so far raised on grounds of principle and hoped it would be able to induce the national governments unanimously to accept a common energy policy coming into force as from 1970.

The President described recent trends in the common market for steel and explained the reasons behind the difficulties now facing Community steel firms. He stressed the need to take this situation into account in preparation for the negotiations to be conducted between western Europe and the United States of America, and for the World Trade Conference planned by the United Nations. He stated that the provisions to be adopted should make due allowance for the legitimate interest of the Community's traditional suppliers.

The High Authority shared the inclination towards free trade of the governments of the Member States because, like them, it knew that liberalizing the flow of trade had given the initial momentum to western Europe's prosperity. The High Authority, however, was aware both of its duties and its capabilities. It did not want to be accused at some later date of having been too little aware of its responsibilities and of having caused the collapse of the Community's steel industry. It would endeavour to foster an agreement between the governments of the Community, by means of which the present difficulties could be bridled and, if possible, rapidly removed.

With reference to the social problems which have to be resolved at once, the President recalled that the disaster, which occurred recently at Lengede, had prompted the High Authority to ask the governments to extend the competence of the Standing Committee on Safety in the coal mines to the iron mines as well, and to define the Miner's Code, which, in the social sector, remained one of the High Authority's objectives.

Following the speech by President Del Bo, there were speeches in turn by Mr. Poher, Chairman of the Christian Democrat Group, Mr. Kreyssig, in the name of the Socialist Group, and Mr. Pleven, Chairman of the Liberal and Allied Group.

Mr. Poher expressed his Group's endorsement of President Del Bo's statement, which he found distinctly political in character. He recalled that the ECSC was going through a particularly difficult period. The two main sectors within its jurisdiction, coal and steel, were in fact experiencing serious difficulties as a result of the competition from new products. This situation called for rapid and effective action, which, if carried out with firmness and conviction by the High Authority, would have the full support of the Christian Democrat Group.

The President went on to urge the High Authority to act without waiting until the six ministers of the ECSC Council reached agreement, without insisting too much on their anticipated opinion, without aspiring to obtain the assent of the six governments. In the present situation in fact the High Authority

would win unanimous approval only if it remained inactive. Concerning the problem of a revision of the ECSC Treaty, necessary because circumstances had changed since the time of its signature, the Christian Democrat Group felt able to express its opinion in support of the Executives' being merged. Finally, with regard to a merger of the Communities, referred to by President Del Bo, the speaker stated that this would find assent from his Group only if it were founded on a truly Community basis.

Mr. Kreyssig stressed the satisfaction of his Group at President Del Bo's recognition of the responsibilities of the Parliament and he expressed the hope that the High Authority would consult it regularly before taking major decisions. Concerning coal Problems, the speaker stated he agreed on the need for the Community to have supply security and for a system of Community aid to be introduced for coal. Concerning steel, he stressed the need for the High Authority to co-operate with the EEC Commission and with the governments of the Member States in order to co-ordinate a trade policy which would protect steel.

The speaker went on to express the hope that negotiations with Great Britain would be resumed, that a Community energy policy would come into force, that the Miner's Code would be defined, that safety at work in mines and steel works would be increased and, finally, he hoped that the High Authority would be fully successful when it undertook to bring some of the principles of the ECSC Treaty up to date.

Mr. Pleven's introductory point was that President Del Bo had, in his speech, given Parliament the impression that the High Authority had a President who would bear in mind the democratic rule of parliamentary control during his administration.

The speaker went on to state that the new President was taking over a Community whose features were different from those of the two other Communities which followed it. If in some respects it was less well equipped, it was in a more advantageous position in others, being independent in relation to the governments and having its own financial resources. These two features would yield their full effect in the hands of the new President.

Concerning the merger of the Communities, the Chairman of the Liberal and Allied Group urged the High Authority, in discussing this problem, to protect the principle of independence from the governments and the right to charge a Community levy. The speaker further expressed his gratification at Mr. Del Bo's observation on the powers of the Parliament and, in particular, on its election.

In connexion with the protection measures envisaged for coal and steel, Mr. Pleven said he hoped that these would be



moderate and that they would serve increasingly to liberalize intra-Community trade in coal and steel, which, at present, was handicapped by numerous taxation obstacles.

The speaker concluded by calling on Community institutions to initiate an active information policy, if necessary by means of their own broadcasting stations so as to be in a position to put forward their own points of view and take the initiative - rather than remaining on the defensive - vis-à-vis the governments of Member States when the common problems of European integration were discussed.

#### Re-appointment or replacement of members of the High Authority

On 26th November, Mr. Van der Goes van Naters, acting on behalf of the Socialist Group, put an oral question to the High Authority with a view to ascertaining why it had been hesitating since 16th September 1963 to co-opt a new member in replacement of one of the three members whose term of office had expired, and when it proposed to initiate the procedure for the re-appointment or replacement of these three members by co-opting a new member.

Mr. Wehrer, a member of the High Authority, stated in his reply that the High Authority had already submitted a proposal to the Chairman of the Conference of Government Representatives at the beginning of September to the effect that the two co-options and the appointment should take place at the meeting of Foreign Ministers to be held on 23rd and 24th September. The Ministers, however, had not been in a position to do this and had notified the High Authority of the fact on 15th October. Before carrying out the first co-option itself without the agreement of the governments, the High Authority now wished to reach agreement first with the governments before the end of the year. It had initiated the necessary steps for this purpose.

#### Colloquy with the Councils and the Executives on the Community's policy in regard to the major problems of world trade expansion (26th and 28th November)

Mr. De Block, President in office of the EEC and Euratom Councils, opened the debate; the main passages of his speech were as follows:

"There are many problems of world trade which, at the Community level, are still in the process of being studied.

These studies are proving particularly delicate and complex; this is mainly because the common trade policy is not planned to come into operation until the end of the transition period, so that at this time one is at an interim stage.

Béfore reviewing the main problems which an expansion of world trade raises, it is necessary to recall some of the factors characterizing the general attitudes of the Community and of the Member States.

One factor is the Community's imports from third countries; these have been rising steadily since 1958.

Imports from the associated African States and Madagascar over the same period show hardly any improvement. This shows that the association with the African and Malagasy States has not been a barrier to trade with the developing countries.

The rate at which the Community's imports have expanded has thus been very high; exports, however, have not progressed at the same rate.

The internal development of the Community therefore has not been prejudicial to the development of its trade relations, which shows that the process of European integration has been beneficial not only to the Member States but also to third countries.

How can one draw up a list of the problems which will be facing the Community?

The first of these relate to the new negotiations on tariffs and trade - as a result of the initiative taken by the United States Government - the object of which is to achieve an appreciable reduction in both customs duties and other barriers to trade.

The Community is aware of the political implications of this initiative and will spare no effort to achieve the success hoped for.

To do this, the Community considers that a certain number of conditions will have to be met if this objective is fully to be attained.

The first condition is that as large a number as possible of the developed states should take part in the negotiations.

It is true that the United States, Great Britain and the Community appear to be the main parties to these negotiations. But because of the most-favoured-nation clause, the concessions which these countries make to each other will have to be extended to all GATT contracting parties. Therefore the success of the negotiations is conditional upon the participation of all the developed countries.

Furthermore, the participation at the negotiations of all the industrialized European countries will allow for a further expansion of intra-European trade; this will not fail to

strengthen relations between the Community and the EFTA member countries.

Another important consideration is the problem of disparities between the tariffs of the developed countries, which, in the Community view, should be capable of solution.

A third essential factor in these negotiations concerns the trade in agricultural products.

In the Community's opinion, the problems arising in this field are of a special nature; they call for special negotiation rules; one could not have a straightforward application of the rules valid for industrial products.

The Community also considers that measure likely to affect the balance of world markets ought to be regarded as being within the scope of the negotiations.

The fundamental issue at stake is that of assessing how one is to reconcile an appreciable development and expansion of world trade in agricultural products with another requirement expressed equally imperatively by each contracting party: improving the prosperity of the agricultural population and establishing a better social balance in the different countries.

A second major series of problems arising for the Community is that of expanding trade with the developing countries.

In the Community's opinion, it is advisable here to take into account the fact that these countries are at different stages in their economic development, some of them being much further ahead in this respect than others.

It would therefore be desirable to seek a solution to the problem of receipts from primary product exports and that of diversifying productions and exports.

Withing the framework of the GATT multilateral negotiations, it will also be necessary to work out appropriate arrangements which, while avoiding any disorganization in the economic and social structures of the developed countries, will bring appreciable benefits to developing countries, from whom moreover it is planned to ask little or nothing in exchange.

Lastly, one has to deal with a certain number of other trade policy questions facing the Community, the first of which is trade relations with countries whose trade is state-controlled.

Apart from questions which come within the jurisdiction of the Community institutions, these relations are in practice almost wholly governed by bilateral agreements concluded with these countries by each of the Member States. However, while the common trade policy in this matter is far from being

established, the Council has passed a certain number of co-ordination measures designed to bring this about in gradual stages.

It is also important to stress that the Council is not losing sight of the importance of relations with the Latin American countries.

In conclusion to this review of the problems arising in connexion with international trade, it is pertinent to make one or two observations in anticipation of the 1964 negotiations, in which the Community and the Member States will be taking part, both in GATT and within the framework of the World Trade and Development Conference organized by the United Nations.

First of all, with regard to GATT, the Council will, at its session early in December, have before it Commission proposals seeking to define a common attitude on all the problems arising in the context of these negotiations.

Furthermore, in anticipation of the United Nations' World Conference, the Community is at present carefully studying the reports written by the WTDC Preparatory Committee. Its attitude will be determined by the result of these studies.

While some of the main guide lines are becoming clear, one has not yet got to the stage of working out common attitudes in detail. The main reason for this situation is that the Community is still in the transition period - the common trade policy is not due to be completely finalized until the end of the transition period.

In fact, one can say that the Community today is faced with a phenomenon which was not anticipated at the time when the Treaty of Rome was drafted: the advent of the Common Market, with the hopes to which it has given rise and the fears which it has provoked, has accentuated pressure from third countries, particularly developing countries, for an early solution to the problems now facing international trade."

Following the speech by the President of the Councils, Mr. Blaisse (Chr.Dem.), Mr. Vredeling (Soc.) and Mr. Pleven (Lib.) explained the points of view of their respective parties.

In the Christian Democrat view, interdependence between peoples must find its expression not only within Europe but likewise in the world at large. As for the Community, it will, after the transition period, have the sizeable task of putting into shape a common trade policy within a shorter period than that prescribed by the Treaty. The Council is therefore called upon to make clear its intentions as to the way in which its policy on the subject is to develop.

In the Socialist view, the Community has a large measure of responsibility for the forthcoming GATT negotiations. It must,

for example, give its support to every endeavour to liberalize world trade. Again, with reference to the agricultural policy, it is clearly vital for every party involved to demonstrate a maximum of good will. As to relations with the developing countries, it is to be noted that one of the great weaknesses of international trade is the steady deterioration in relations between the industrialized countries and the others. Here very special attention should be paid to the position of Israel. Furthermore, the EEC should present a united front on trade with the state-controlled trading countries.

In the Liberal view, the major problem facing world trade is largely the result of the significance which the Community has assumed. The rate of growth in world trade, however, is not at this time as high as it was a few years ago. It is moreover not a uniform rate for the whole world. For the developing countries, for example, the problem lies in the inadequacy of their rate of growth as compared with that of the industrialized countries. One reason for this is that the colonial system organized the colonized countries' economies around a metropolitan centre. If Europe is to avoid indictment on this count a fundamental change in the economic structures of the developing countries will have to be worked out.

The Council moreover must clarify its attitude on the problems of expanding trade with the Communist bloc and with countries which have recently acceded to independence.

Messrs. Chatenet (Euratom), Del Bo (High Authority) and Hallstein (EEC) then went on to explain the position of the Executives.

With regard to concluding agreements with other countries, the Euratom Commission is following a liberal policy which will have favourable effects. It has further always sought to extend its collaboration with countries either less developed or whose rate of development is going to be appreciable in comparison with their present situation.

The High Authority does not intend proposing a protectionist policy for steel to the Council but rather that containing action should be taken, to put a brake on the too rapid and continuous slide in prices. The Council has further considered the problem of the ECSC's participation in the forthcoming tariff negotiations. The High Authority is ready, in this context, to meet its responsibilities.

For its part the European Economic Community is not, according to its President, as yet in a position to assume responsibility for the expansion of world trade. There may well be an element of co-ordination between national trade policies already, but at this time one can only speak of the beginnings of a standard policy for the Community states in relations to the major world trade problems. This is why the

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Community needs a common external economic policy now. It is a question of removing the big disparity between the political and economic importance of the Community and its insignificant ability to take action externally.

No one is going to claim that the GATT system, as devised in 1946-48, is a model of perfection. Its weaknesses are well known, both in regard to agricultural trade and trade with the developing countries. This is no reason, however, for questioning the continued existence of GATT or for setting up other organizations to make it more effective. On the contrary, it is important to co-operate actively in attempts to remedy the GATT weaknesses by reform. The free world cannot afford to abandon GATT, given its unique usefulness from the point of view of integrating world trade.

Following the statements by Messrs. Margulies (Germany, Lib.), Friedensburg (Germany, Chr. Dem.) and Duvieusart (Belgium, Chr. Dem.), Mr. Luns, President of the Councils, answered the questions put by the various speakers:

- The GATT negotiations may be able to attenuate some of the unfortunate effects arising from the present situation in intra-European relations. Relations with EFTA countries may be amplified by the negotiations.

- The Council is aware that agriculture is liable to be an obstacle on which the success of the GATT negotiations may founder. However, it is not impossible to solve the problem of world trade in agricultural products with an improvement in the prosperity of the farming populations.

- The Council will study ways and means of maintaining the established flow of trade with third countries.

- The Council is on the way to working out an arrangement for settling the problem of tariff disparities.

- The GATT negotiations will affect the vital interests of each of the Member States; this is why the Council will follow them closely and give appropriate directives to the Commission. The Commission is moreover fully aware of this necessity.

- The Council is dealing with requests from third countries for association with the Community. It consulted the African States and Madagascar about suspending duties on certain products imported from India. The new proposals made by Israel are now being studied.

- There is no reason why Europe should be held responsible for the deterioration of trade with the developing countries. The Council is aware of the difficulties which the latter are encountering and will assist in their becoming industrialized

in a balanced manner. Solutions must be found which reconcile an expansion of the developing countries' exports with the imperative requirement of protecting the industrialized states against economic and social disorganization.

- As for the state-controlled trading countries, they are unwilling at the moment to recognize the Community as a legal entity distinct from the Member States. Here the practical problems can only be solved under conditions which are not always within the Community's scope.

- At the GATT negotiations, the way in which the problems dealt with affect the Latin American countries will always be borne in mind.

In winding up the "colloquy", the President, Mr. Martino, made one or two political observations. He particularly emphasized that European unity and Atlantic solidarity were two inseparable facets of a single political and economic operation. He also regretted that the Community Member States were attempting, through an unjustifiable interpretation of the Treaty, to reduce the unification process to economic integration alone. He formally called upon these countries to fulfil all the duties which they accepted on 25th March 1957, when they signed the Treaty of Rome, so that the serious crisis which the Community is experiencing might be overcome.

#### Freedom of establishment and freedom to supply services

At the request of the Council, the Parliament also expressed its opinion regarding the directives proposed by the EEC Commission relating to:

- the practical application of freedom of establishment and freedom to supply services for self-employed persons in the processing industries of main groups 23 - 40 of the CITI (industry and handicrafts);
- transitional measure in respect of self-employed persons in the processing industries of main groups 23 - 40 of the CITI (industry and handicrafts);
- the practical application of freedom of establishment and freedom to supply services for self-employed persons in mining, and in the extraction of stone and clay (main groups 11 - 19 CITI).

These directives are intended to remove every obstacle to freedom of establishment and freedom to supply services for a large number of self-employed persons. The first two directives deal with removal of restrictions in the processing industry and handicrafts and serve, as it were, as the main lever for the practical application of freedom of establishment and freedom

to supply services. The third relates to self-employed persons engaged in mining operations, for whom the ECSC Treaty provides no regulations governing freedom of establishment or freedom to supply services.

The opinion of the Parliament was based on a report (1) of the Internal Market Committee - drawn up by Mr. Hahn (Germany) - which makes a painstaking study of each directive.

As regards the first directive, the Committee requests the EEC Commission to push ahead as rapidly as possible with the liberalization of public contract procedures so that the measures required for the introduction of this directive can be effectively amplified. It is also pointed out that, in the absence of adequate arrangements for safeguarding legal claims arising from statutory insurance conditions in the sphere of handicrafts, there is a danger that claims acquired in the country of origin may be forfeited. This could prove an obstacle to freedom of movement for self-employed craftsmen. The Council of the EEC should therefore take appropriate measures. The Committee also considers it important that the preparation of directives on the co-ordination of safeguard provisions of company law should be speeded up and that directives on the liberalization of activities in the retail trade should be issued as soon as possible. The Committee further proposes an amendment to the directive on the basis that Member States should ensure that beneficiaries could be admitted into professional associations under the same conditions and with the same rights and obligations as nationals. The Committee also expresses concern as to the possibility of distorted competition, particularly in the supply of services, that might arise when foreign enterprises operating under different wage and social conditions enter the domestic market. These problems, however, must be dealt with within the context of the harmonization of social systems.

The Committee would also welcome the prompt issue of the second directive relating to the co-ordination of safeguard provisions prescribed in Member States for observance by companies for their own protection and that of third parties. The Committee desires the conditions relating to evidence of commercial or professional qualifications to be framed differently, and is putting forward separate proposals therefor.

As regards the third directive, the Committee once again stresses how important and necessary it is to remove the differences in the regulations governing permits - which actually impede freedom of movement and thus lead to distorted competition - and to approximate them through co-ordination.

Subject to various amendments - among them changes in time-limits - the Committee approves the proposed directives.

After the report had been presented by Mr. Illerhaus on behalf of the Rapporteur, Messrs. Kreyssig and Toubeau, and

(1) Doc. 97, 1963-1964; the Energy Committee was consulted.



Mr. Levi Sandri, member of the EEC Commission, had a brief word. Mr. Levi Sandri pointed out that the first of the directives should be considered in conjunction with other liberalization measures that would shortly be adopted. The second was in the nature of a provisional measure which would follow the co-ordination of the legal provisions. On behalf of the Executive, he endorsed the comments of the Committee in principle while regarding some of the proposed amendments as superfluous.

The meeting wound up with the adoption of three resolutions embodying the opinion of the Parliament as expressed by the Committee's report, supplemented by two amendments adopted in the course of the debate. A number of other proposed amendments were rejected.

#### The EEC and Euratom budgets

On 27th November, the European Parliament submitted its opinion on the draft budgets of the EEC and Euratom and the draft research and investment budget of Euratom for 1964.

The debate was conducted on the basis of a report (1) of the Budgetary and Administration Committee (Rapporteur: Mr. O. Weinkamm, Fed.Rep.) which stated that each year the budgets of Community institutions provided for higher expenditure in the economic and social sectors and were thus acquiring an increasingly political character. The Committee regretted that the budget was still unaccompanied by a real explanatory statement that would enable it as far as possible to constitute the accounting aspect of the Community's policy. The report also points out that, despite repeated requests from the Parliament, the EEC Commission has still not prepared and submitted proposals - in pursuance of Article 201 of the EEC Treaty - for providing the Community with its own sources of revenue. The Committee expresses concern at the fact that a number of credits have been deleted or considerably reduced by the Council. It fails to understand, for instance, why the Council deleted credits for the Agricultural Guidance and Guarantee Fund on the grounds that no decision has yet been taken in principle regarding the Fund. It would have been preferable to have frozen these credits rather than having perhaps to resort later to a supplementary budget. The Fund was used to improve agricultural structure and the credits required for this purpose could not be accurately assessed. This situation would remain unchanged even after a decision in principle had been taken. It was therefore solely a question of fixing a maximum amount that could be spent for the purpose in question.

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(1) Doc. No. 96, 1963-1964.

The report goes on to state that the various departments of the EEC Commission should have sufficient staff to enable it to carry out satisfactorily its current work and the tasks scheduled for 1964 within the specified time limits and under normal working conditions. This applied particularly to the Commission's activities in the fields of external relations, relations with overseas countries, cartel and social policy and agriculture.

The report is in favour of the maintenance of various credits, for example for the Legal Department, Statistical Office, Press and Information Service and item 52 - "Biology" - of the Euratom budget. With regard to the European Parliament budget, it refers to the resolution adopted by the Parliament on 18th October and expresses the hope that the Councils will study the Parliament's proposals concerning its establishment plan and visiting groups in the course of their December session.

During the debate, the Rapporteur stressed that all income and expenditure of the European Communities should pass through the budget. Moreover, Mr. Weinkamm called for uniform regulation of the various European funds. At present increasingly large sums were flowing into these funds over which the Parliament exercised even less control than over other budget items. The speaker called for closer contacts between the Council of Ministers and the Budgetary Committee.

The Council reproached the EEC Commission for requesting funds for new posts in spite of the fact that all vacant posts had not yet been filled. The Rapporteur pointed out however that under the Service Regulations recruitment took a certain amount of time so that it was impossible to fill every post by 31st December. He also stressed that the proposed conversion of forty-four posts in the Parliament's budget was only an apparent increase. In fact, all that was entailed was normal service promotions.

Mr. De Block, President in office of the Council of Ministers, dealt with a number of important points. The budgetary procedure had to be improved. The talks between the Council and the EEC Commission on the Action Programme and its effects on the budget should take place earlier. This would facilitate the preparation of the improved explanatory statement recommended in the report.

The Council, observed the Minister, desired that establishments should be stabilized as far as possible. The number of posts should where possible remain constant, and the same applied to the pyramidal structure of the establishment. The provisions concerning service promotions were independent of the budget; they were intended solely to assist the careers of officials and in no way detracted from the binding nature of the establishment.

As regards operational expenditure in respect of items on which decisions in principle had not yet been taken, the Council had replaced the credits requested by entries for record purposes because estimates were difficult to make and in some cases it was not even certain whether funds would have to be made available. Blocking of these credits was therefore not advisable since the Parliament was not consulted on their release.

The meeting was then addressed by Mr. Schuijt (Netherlands, on behalf of the Christian Democratic Group), Mr. Troclet (Belgium, Socialist Group), Mr. Krekeler (Euratom Commission), Mr. Vals (Chairman of the Budgetary and Administration Committee), Mr. Medi (Vice-President of the Euratom Commission), Mr. Levi Sandri (EEC Commission), Mr. Rochereau (EEC Commission, Chairman of the Joint Press and Information Service), Mr. De Block (President in office of the Councils), Mr. Kreyssig (Germany, Socialist Group), and the Rapporteur.

Mr. Schuijt once again pressed for recognition of the Parliament's right to exercise budgetary control. On the basis of detailed statistics, he also presented the case for wider dissemination of information regarding the Community, in the absence of which satisfactory development of the Communities would be impossible. Moreover, Community broadcasting and television stations were essential.

Mr. Krekeler regretted the cancellation of the five Category A posts requested by the Euratom Commission, especially since this category had increased by only 6 per cent over the last five years. Safety control was however satisfactory and being carried out efficiently.

Mr. Vals pointed out that a rigid establishment might be suitable in a traditional administration but not in the European institutions which were still in the throes of development.

Mr. Medi clarified certain aspects of the Euratom research and investment budget. Mr. Levi Sandri stressed that the EEC Commission had submitted drafts of its budget in good time. To carry out its new tasks, the Commission needed more funds and more staff. If the budget were passed in this form, this could have grave repercussions on the Commission's activities, especially in the agricultural sector. Mr. Rochereau stated that the sum that the Council now proposed to allocate for information services would result in a readjustment involving a cutting down in activity. Mr. De Block assured the meeting that the prerogatives and sovereignty of the Parliament had not entered into the discussions on the budget. However, since the budget was regarded as sacrosanct, he would raise this point during the forthcoming debates on the Parliament's budget.

The Parliament thereupon adopted an amendment tabled by Mr. Schuijt and a number of colleagues and calling upon the Councils, before fixing the budget, to hold further discussions

with the Parliament on budgetary control. Finally, the draft resolution embodying the main points in the report was adopted.

Parliamentary control of the European Agricultural Guidance and Guarantee Fund

On behalf of the Socialist Group, Mr. Birkelbach put an oral question on 27th November to the EEC Executive in which he recalled that the Parliament, at its Session in October 1963, had discussed the amended Commission proposal to the Council for regulating the balance sheet of the European Agricultural Guidance and Guarantee Fund and approved the following amendment of Article 5:

"In the case where the opinion of the European Parliament is required, pursuant to this Article, on the EAGGF balance sheet, this opinion must be acted upon by the Council, unless the Council decides otherwise by unanimous vote "

This amendment, Mr. Birkelbach went on to state, was supported by Mr. Mansholt, Vice-President of the EEC, who made it clear, however, that this was his personal opinion and not that of the Executive. This indeed had not been asked for. The Speaker explained that the object of the present question was therefore to enable the Socialist Group to ascertain the Executive's opinion.

President Hallstein replied on behalf of the EEC Commission. He stated that, unfortunately, the Parliament's proposal could not be implemented without the Treaty being amended.

The Association Agreement between the EEC and Turkey

On 28th November, the EEC Council consulted the Parliament regarding the Association Agreement with Turkey. The basis of consultation was a report by Mr. Dehousse submitted on behalf of the Political Committee (1).

The report first deals with the procedure adopted regarding consultation. The Parliament maintains that it should be consulted prior to the signing of association agreements (Article 238 of the EEC Treaty). The Council for its part holds that the consultation should take place before the ratification of agreements, that is, after their signing and before the instruments of ratification are exchanged. The report of the Political Committee therefore suggests to the Parliament that it should not take part in any future consultations, if these are made subject to the same conditions as the consultations on the association of Greece and of Turkey. However, since the interests of Turkey should not be sacrificed to differences of opinion between Community institutions, the Committee considers it

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(1) Doc. 4, 1963-1964

desirable that the Parliament should as soon as possible pronounce in favour of ratification of the agreement.

The report then discusses the text of the association agreement. The agreement goes beyond a simple customs union as it contains essential features of an economic union. The ultimate objective is Turkey's accession to the EEC. However, in view of Turkey's economic position, it is essential to provide for a preparatory phase of at least five years' duration during which the customs union would not come into force, followed by a transitional period of twelve years during which customs tariffs would be progressively reduced. The report warned that although the adoption by the Community of unilateral aid measures would certainly not be out of place, care should be taken to ensure that these did not go beyond certain limits as otherwise it would subsequently be difficult to redress the balance of mutual obligations. The Rapporteur concludes that the form and content of the agreement are justified by the special economic and social conditions prevailing in Turkey but should not be considered as establishing a precedent.

The debate was opened by Mr. Luns, President of the Councils in office, who first reviewed the proposals contained in the report for improving the procedure laid down in Article 238. According to these proposals, the initiation of negotiations for association with the Community should be made the occasion of a guiding debate in the European Parliament. During the negotiations themselves, close contact would be maintained with the Commission. Once the negotiations had been successfully concluded, that is before the agreement was signed, there would be a confidential exchange of views between representatives of the Council and of the Parliament. Official consultation of the European Parliament would then take place. The Minister undertook to interpret these proposals, which he regarded as both logical and constructive, before the Council. The agreement itself had to be seen in a political perspective that transcended its purely economic content. The value of the agreement lay not only in immediate benefits for Turkey but above all in the long-term prospects it opened up for that country. Its success would nevertheless largely depend on the efforts Turkey itself was prepared to make.

The meeting was then addressed by the Rapporteur, Mr. Kapteyn (Netherlands, on behalf of the Socialist Group), Mr. De Block (Belgium, Socialist Group), Mr. Berkhouwer (Netherlands, on behalf of the Liberals and Allies), Mr. Battista (Italy, Chairman of the Political Committee), Mr. Terrenoire (France), Mr. Luns and finally Mr. Schaus on behalf of the EEC Commission.

The Rapporteur deplored the Council's interpretation of Article 238 which it found traditionalist and lacking in Community spirit. The Parliament was merely asking for a procedure that was already largely adopted in the national parliaments. It was

of course essential to consult the national parliaments on a matter in respect of which they were asked to vote funds. The question here was how this should be done. In his opinion, it would suffice if the funds required in connexion with the association agreement were voted on at the same time as the relevant budget. There would thus no longer be any need to fall back on the antiquated procedure which the Council at present applied and which was completely foreign to the Community spirit and to the activities of our institutions.

Mr. Kapteyn, who had prepared the opinion of the External Trade Committee, urged members of Parliament to explain their difficulties to their national governments and, if necessary, enlist their support. He stressed that the distribution of expenditure between the six countries called for a practical solution in case the Investment Bank granted loans at a rate of interest lower than that then in force. Mr. Berkhouwer drew attention to the legally obscure terms of Article 238. In the case of the present agreement, he felt that the procedures under Articles 237 and 238 had been mixed up. Mr. Battista also discussed the procedure followed and stressed that this was really the last time that the Parliament wished to be confronted with what was now an accomplished fact. Mr. Terrenoire stated that it might be possible to give Article 238 an interpretation that differed from that of the lawyers of the European Parliament. For this reason he would abstain from voting.

Mr. Schaus stated that the EEC Commission was aware of the difficulties that could arise at the institutional level of the Community when such agreements were concluded. The Commission favoured a wide interpretation of Article 238 and the Parliament must be granted the powers that were its due.

The Assembly thereupon unanimously adopted the draft resolution which summarizes the report's conclusions under sixteen points.

#### Exchange of young workers

In accordance with Article 50 of the Treaty, the EEC Commission has submitted to the Council a draft "initial programme for encouraging the exchange of young workers" which was also transmitted to the European Parliament in May 1963 and debated in plenary assembly on 28th November in the light of a report (1) by the Social Committee.

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(1) Doc. 95, 1963-1964; the Committee for Research and Cultural Affairs was also consulted.

In its report, the Committee welcomes the programme and the aims outlined therein, and regards it as an essential condition for general progress. On the one hand, as pointed out by the Rapporteur, Mr. Troclet (Belgium), the exchange of guest workers is justified on the same grounds as the general freedom of movement of workers in the Community; on the other hand, such an exchange would benefit not only further professional training but also European integration inasmuch as the resulting contacts could promote mutual political understanding. The legal procedure proposed for this exchange by the Commission - a Community decision on the "common programme" and a multilateral agreement to be ratified by individual Member States - was also approved by the Committee, subject to certain amendments and additions suggested by it.

On behalf of the Rapporteur and as spokesman for the Liberal Group, Mr. Berkhouwer (Netherlands) described the initiative of the EEC Commission as a suitable means of fostering the Community spirit, even though the programme did not meet all the Committee's wishes. The vague formulation of Article 50 of the Treaty - "Member States shall encourage, within the framework of a common programme, the exchange of young workers" - provided no guidance as to the means to be adopted to achieve this end. The solution proposed by the Commission could, however, lead to satisfactory results until this question could be settled - as from 1970 - within the wider context of general freedom of movement.

On behalf of the Christian Democratic Group, Mr. Herr (Luxembourg) deplored the fact that Article 50 of the Treaty did not provide a basis for a genuine Community solution and that it was necessary instead to rely on the national parliaments. Nevertheless, the programme was welcome and should be followed by similar arrangements covering apprentices and scientific research workers.

Among members not belonging to a political group, the French Deputy Comte-Offenbach, while agreeing with the present resolution, held the view that Article 50 amounted not so much to a Community obligation as to an incentive for individual States - a point of view not shared by the Italian Deputy Carboni (Christian Democrats) who maintained that it was in every way a Community obligation, the purport, but not the legal nature of which should be defined.

This was the sense in which the EEC Commission interpreted Article 50, explained its member Levi Sandri, who shared the views of the Parliament and fully endorsed its suggestions.

In its resolution, the Parliament welcomed the initiative of the Commission as an encouraging first step in the exchange of young workers. It expressed the wish, however, that the choice of the special legal instruments envisaged should not delay the implementation of the programme and that regulations would soon be provided for all categories of young people interested in these exchanges. The outline of the programme itself was approved

subject to certain suggestions. For example, the field of application of the agreement should be extended as far as possible, particularly in respect of "intellectual workers"; certain articles should be re-worded; the minimum age stipulation should be deleted; in any case a new agreement should be drawn up after 1970 when the establishment of complete freedom of movement would no longer justify the retention of restrictive provisions with regard to young workers. Only provisions leaving room for concessions should then be retained. In addition, greater scope should be provided for cultural measures that could be of benefit to humanity.

#### Social aspects of the common energy policy

The Parliament further concerned itself with the social aspects of a common energy policy, about which Mr. Nederhorst submitted a report on behalf of the Social Committee (1).

Mr. Nederhorst decried as a grave omission the fact that the European Executives had not seriously investigated this question and had not gone into it thoroughly in its memorandum on the common energy policy. Mr. Nederhorst felt that there were very urgent problems facing the coalmining industry in particular, which had to be solved. Steps had to be taken against the growing reluctance to work in the pits, while the re-employment in other industries of manpower which had become redundant as a result of reduced production had to be facilitated. Mr. Nederhorst called, *inter alia*, for the restoration of the miner's privileged position at the top of the pay-scale; better working and living conditions, to be guaranteed by a European Miner's Code; statutory regulations governing the rehabilitation and re-employment of the physically disabled; investigation of social security systems; the meeting of part of social expenditure out of public funds. He requested the Executives to initiate the necessary inquiries and to put forward concrete proposals. In addition, he suggested that a conference of workers, employers and government representatives be called to discuss the social aspects of a common energy policy. There was no need to wait until the Council of Ministers had reached agreement on a common energy policy before calling such a conference, as the problems involved were a reality and called for immediate solution.

In his oral comments, Mr. Nederhorst once again described the "Extremely critical" social position of the miners which would not be remedied by calling in workers from abroad. "So long as we need miners, and we shall need them" - explained Mr. Nederhorst - "we must be ready to make sacrifices to obtain them."

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(1) Doc. 89, 1963-1964.



In support of the Rapporteur's remarks, Mr. Vals (France), speaking on behalf of the Socialist Group, insisted that a prompt solution should be found, without waiting for the establishment of a co-ordinated energy policy. The European Parliament had striven for the past two years for the adoption of a European Miner's Code, but all its endeavours had foundered before a "barrier of incomprehension". Mr. Vals asked for special guarantees for the miner as the pit closures on all sides and the consequent changes in occupation, often led to a fall in their standard of living.

Mr. Van der Ploeg (Netherlands), spokesman for the Christian Democratic Group, argued along the same lines, remarking that it must strike foreign workers as very odd that they were being engaged in an industry in which nationals no longer desired to work. Like Mr. Vals, Mr. Van der Ploeg urged the Executives to take up the Rapporteur's suggestions.

Mr. Philipp (German Christian Democrat) thought it, however, absurd to talk of the social content of a common energy policy while the latter was still non-existent. Mr. Philipp called first for the introduction of a sound economic policy for coal from which a social policy would automatically follow.

Mr. Jarrot (France, independent) advocated a "sensible solution".

Mr. De Groote (Euratom Commission), Mr. Lapie (High Authority) and Mr. Levi Sandri (EEC Commission) spoke on behalf of the Executives. Mr. Lapie referred to the many "bold and enterprising decisions" taken by the High Authority to improve the lot of the miner; for example, as regards the building of dwellings, industrial safety, training, readjustment and re-employment and, not least, the Miner's Code on which it had recently published a "White Paper". With regard to the Energy Memorandum, social requirements, not covered in detail, stood well in the foreground. Mr. Lapie mentioned various objectives of the memorandum which were by definition social in nature. On behalf of the three Executives, he undertook to put the Parliament's wishes before the Council of Ministers.

The Parliament then passed a resolution calling upon the European Executives to submit concrete proposals for the prompt solution of social problems in the energy sector as it was of the opinion that it was not necessary to wait until full agreement on the common energy policy had been reached. It deplored the reluctance of governments and employers' representatives to discuss the European Miner's Code and considered it was important to arrive at an early decision on future hard coal production and to brief the miners promptly and fully regarding the plans for reorganization, allowing them a say in their implementation. This was essential if the miner's faith in the future of his occupation was to be restored. The Parliament also requested that a conference should be called as soon as possible to discuss

the social problems connected with the common energy policy and suggested that this should be on the same lines as the conference that had been arranged to study the social aspects of the common agricultural policy.

#### Casual employment of students during vacations

Finally, the Parliament dealt with this problems on which a report (1) by the Social Committee had also been presented. The Committee is of the opinion that the problem of students' employment can hardly be solved within the context of a general regulation for workers. Because of its distinctive aspects, it should be thoroughly investigated by the EEC Commission and Member States, particularly in view of the fact that the "first common programme for encouraging the exchange of young workers" does not apply to students. As pointed out by the Rapporteur, Mr. Herr (Luxembourg), the number of students who take on paid employment during their vacations is constantly increasing, whereas the organization and protection of students' employment, as also the international exchange of student-workers and probationers are inadequate. This situation must be remedied and steps taken to ensure that students employed during their vacations are adequately paid and insured against social risks, experience less difficulty in securing employment in keeping with their education and come into contact with the professional spheres not only in their own country but also in others, thus contributing not only to their own general education but also to the creation of a "European spirit".

On behalf of the Christian Democratic Group, Mr. Van Hulst (Netherlands) approved the report and resolution, stressing the importance of the task that the Community had to fulfil vis-à-vis students, on whose shoulders the fate of Europe would ultimately rest.

The spokesman for the Liberal Group, Mr. Berkhouwer (Netherlands), shared the view that the core of the problem lay in encouraging the international exchange of students so as to foster the European spirit. He called for help in carrying this plan through.

After a few final words from the member of the EEC Commission, Mr. Levi Sandri, who showed particular interest in this problem, the Parliament moved a resolution adopting the views of the Committee and, with a view to the systematic organization of practical training and exchanges of student-workers, calls on the EEC Commission to work out a special programme in the near future for the student-workers and probationers of the six countries.

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(1) Doc. 90, 1963-1964

## II. NATIONAL PARLIAMENTS

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### Germany

#### 1. Declaration by the Federal Government concerning the Budget of the European Parliament

In reply to a brief question put by a number of Members of the German Bundestag and by the SPD (German Social Democratic Party) Group (1), Mr. Dahlgrün, Minister of Finance, stated on 7th November that the Federal Government had participated, as was its duty, in the decision of the Councils of 15th October, and shared the conviction of the representatives of the other five Member States that the decision was entirely justified and did not prejudice the advisory and supervisory powers vested in the European Parliament. The views of the European Parliament were known to the Federal Government and had been taken into consideration by the Councils in their session of 15th October.

Mr. Dahlgrün detailed the considerations that had guided the Councils in arriving at their decision and explained that the present rights of the European Parliament, as laid down in the Rome Treaties, would not be prejudiced by the decision of the Councils of 15th October. As was known, the Federal Government advocated the future extension of these powers accompanied by the simultaneous transfer of corresponding responsibilities. Like the governments of the other Member States, the Federal Government was "convinced that neither the activities of the European Parliament nor the proper application of the provisions of the Statute would be hindered by this dissentient decision of the Councils of Ministers". Moreover, as the Councils had adopted the budget by a qualified majority, this decision could not be altered by the German representatives alone.

(German Bundestag, Publication IV/1615, 7th November 1963)

#### 2. Opinion of the Bundestag regarding EEC regulations on agriculture

On 14th November, the Bundestag adopted a resolution by its Committee for Food, Agriculture and Forestry requesting the Federal Government to move in the Council of the EEC that the second adjustment instalment of the intra-Community levy laid down in Council Regulations Nos. 20 to 22 for pigmeat, eggs and poultry should not be reduced automatically but only after adequate progress has been made in removing the distorted competitive conditions prevailing in the Common Market as between the agricultural systems of the partner countries. The abolition of quantitative restrictions on Category I products in accordance with Regulation No. 23 for fruit and vegetables should also, in the

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(1) See Monthly Bulletin No. 11, November 1963.

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opinion of the Committee, come into force only subject to the foregoing condition.

(German Bundestag, Publication IV/1611, Proceedings 14th November 1963).

### 3. Opinion of the Federal Government on the European Agricultural Guidance and Guarantee Fund

On 18th November, Mr. Dahlgrün, Minister of Finance, made the following reply on behalf of the Federal Government to a question from a number of members of the Bundestag, who were also members of the European Parliament, and from the SPD (German Social Democratic Party) Group:

"The Federal Government is aware of the fact that with the issue of Regulation No. 25 of the Council relating to the financing of the common agricultural policy and the setting up of the European Guidance and Guarantee Fund, financial resources are flowing increasingly during the transitional period from the Federal budget to the European Economic Community.

...

"The Federal Government cannot make its approval of the European Guidance and Guarantee Fund conditional on the prior establishment of effective parliamentary control as it has already approved the Fund in accepting Regulation No. 25 of the Council relating to the common agricultural policy, Article 1. The regulations now to be debated are merely implementing provisions in respect of which the Federal Government cannot withdraw from the obligations it has assumed. It will, however, do all it can to shape the instruments of financial control as effectively as possible.

...

"The Federal Government is endeavouring to strengthen the powers of the European Parliament, particularly in the sphere of parliamentary budgetary control. It intends to suggest in the Council of Ministers of the EEC that a first step in this direction should be taken as soon as possible.

"It is of the opinion that the transfer of the right to its own revenue to the Community should be accompanied by effective parliamentary budgetary control."

(German Bundestag, Publication IV/1647, 18th November 1963)

Belgium

The Convention of Association between the EEC and the African States and Madagascar debated and approved by the Chamber of Representatives

The External Affairs Committee discussed the Convention of Association on 28th November 1963. During the debate, a member raised again the objection which had been brought up in the European Parliament, to the effect that the latter had expected to be consulted prior to the Convention being signed. In reply the Minister and Deputy for Foreign Affairs stressed the important legal objections that had to be brought to bear against the European Parliament's standpoint. Acceptance of that standpoint would in fact be tantamount to acknowledging parliamentary powers which the Treaty of Rome does not actually confer on the European Parliament and which would even, to some extent, lie beyond the competence of national parliaments. The latter do not take part in treaty negotiations and - juridically - these should be concluded with the signing of the Treaty aimed at.

Mr. Kronacker (Liberal) declared, in the open debate held on 5th December, that the Convention of Association affected unfavourably both Belgium and the territories formerly administered by Belgium.

He argued that, of all the Community countries, it was Belgium's relative contribution that was to be the highest. In fact, Belgium would be contributing about 345 Francs per capita towards the total contribution of 730 million dollars for the next five-year period. The per capita average for the six countries was to be 206 Francs.

With regard to the distribution of funds, it was relevant to make a distinction between the various allocations:

- 1) 230 million EMA units of account earmarked as aid towards production and diversification. Of this, the former French territories would receive 270 Belgian Francs per inhabitant. The territories formerly administered by Belgium would receive 63.75 Francs per capita;
- 2) 500 million EMA units of account earmarked for economic and social investment and technical co-operation. Congo, Ruanda and Burundi would receive about 137.50 Belgian Francs per capita. The other countries would receive 570 Belgian Francs per capita;
- 3) 70 million EMA units of account representing aid for overseas départements and territories having special relations with certain Member States. This aid was intended for a series of territories whose population was 3 1/2 million, 85 per cent of whom had links with France.

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Mr. Kronacker also drew the attention of the Government to the attitudes of certain countries - in this case, France - which, arguing that the Convention took effect only on ratification, were now taking measures incompatible with the spirit and the letter of this Convention and even with those of the Treaty of Rome.

Indeed, the French Government was at present negotiating a long-term agreement with the former French African territories in respect of a product which attracted heavy consumption, whereby France would, by means of a system of direct and indirect subsidies eliminating all competition, continue to retain sole supply rights.

Furthermore, on exports of the same product to other Common Market or third countries, France made her producers pay a levy to a para-statal body operating as a perequation fund; the amount was equal to 40 per cent. of the internal price. It was therefore, Mr. Kronacker concluded, the consumers in these countries who would bear the cost of the subsidies granted by France to her exporters in order to maintain its monopoly position in those parts of Africa.

The debate, in which members from the Government benches also spoke, concluded with the approval of the Convention of Association.

(Chamber of Representatives - Doc.No. 659 - and session of 5th December 1963).

### France

#### 1. Discussion in the French Senate of the EEC agricultural policy proposals

On 15th November, the French Senate examined the Ministry of Agriculture estimates. This gave Messrs. Dulin and Restat, members of the European Parliament, the opportunity to refer to the EEC's agricultural policy plan.

Mr. Dulin emphasized that a refusal by the Government to consider the EEC Commission's proposal would mean French cereal producers being deprived of an increase in their incomes, the other agricultural product regulations being threatened, and, in plain language, a refusal to establish the common agricultural policy.

Mr. Restat argued that, from the foreign relations standpoint, standardizing cereal prices would make things considerably easier at the forthcoming discussions between the Six and the GATT Contracting Parties, particularly the United States. Again, setting prices on a world level would simplify a number of problems and lead to a better understanding amongst peoples. It is true

that domestically, adopting the plan might cause some difficulty in putting the stabilization plan into effect. But such a difficulty would not justify sacrificing the farmers.

Speaking for the Government, Mr. de Broglie replied: "Concluding the negotiations in progress amounts essentially to achieving the common agricultural policy. This makes it a political act. This political act has moreover to be seen in relation to the implications of the Kennedy Round, which raise the whole problem of how the European Economic Community's image is to be projected abroad; another factor here is the possible clash between those who want a self-centred Europe and those who feel that Europe should be primarily concerned with the international repercussions of its own growth.

A few days ago a plan was released, couched in very general terms, the aim of which is to establish a single basic target price for wheat at one sweep. Such a plan, in so far as it would be conducive to strengthening Community ties, cannot, at first sight, be regarded by the French Government other than favourably. It will be noted, however, that at this moment, time is needed to think the matter over. The economic and financial implications are indeed extremely complex and need studying."

(From Journal Officiel - Débats parlementaires Sénat - 16th November 1963)

## 2. French National Assembly approves various association agreements concluded by the EEC

On 4th December, the National Assembly approved the Bills authorizing ratification of the following documents:

- Convention amending the Treaty instituting the EEC, with a view to making the special association system, defined in the Treaty, applicable to the Netherlands Antilles;
- Convention of Association between the EEC and the Associated African States and Madagascar and annexed documents;
- Agreement creating an association between the EEC and Turkey.

Mr. Vendroux (UNR), rapporteur for the Foreign Affairs Committee, explained the substance of each one of these texts, bringing out the salient features. He emphasized the leading part played by the French Government in the negotiations for renewing the association with the African States and Madagascar. The Government wanted to maintain the privileged relationship obtaining between these states and their former mother country, extend this relationship to embrace the EEC as a whole and promote the economic and social development of the eighteen states. Mr. Vendroux concluded by stating: "It must surely be acknowledged that this Convention is mainly characterized by the fact that the negotiators

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were determined to make it politically unrestricted and that their constant concern was to leave it to the Associated States to organize co-operation among themselves as they thought fit.

The Convention, from the purely French standpoint, is a contributive factor in realizing the Economic Union of the Europe of the Six and, with political union in the offing, it means that the ties, economic, cultural, political and of friendship, which form a direct bond between ourselves and the French-speaking peoples of Africa and Madagascar, can be kept alive and strengthened."

(Official Journal, National Assembly, 5th December 1963)

### Netherlands

#### 1. The Dutch Second Chamber on European agricultural problems

In his ministerial statement, Mr. Biesheuvel (Minister of Agriculture) stated that the Netherlands Government still disagreed with the French view that the EEC should pursue a self-supporting policy in the agricultural sector. It did not seem just to seek to satisfy the tendency towards protection within the EEC exclusively in Germany or France. Moreover, signs of protectionism were also being found in the agricultural policies of third countries. In the light of the figures for trade between the EEC and third countries, the further development of the common agricultural policy should not yet be considered as a new independent threat to trade in general. Neither did Mr. Biesheuvel believe - on the strength of the existing regulations - that a high protective wall could be said to have been erected around the EEC. The decisions on the continued expansion of the common agricultural policy had to be put in close relation to the further elaboration of the rules for Community financing, for it was that which formed the coping-stone of the resolutions relating to a common market organization for the various products.

During the debates on the Budget for Agriculture and Fisheries held in the Second Chamber on 4th and 5th December 1963, the Minister stated that he found the Mansholt Plan for approximating cereal prices "in one stage" attractive. In reply to observations made by Messrs. Tuynman and Berkhouwer (Liberals), Mr. Biesheuvel pointed out that Mr. Andriessen (Minister for Economic Affairs) had not stated in Brussels that this plan was unacceptable but had merely drawn attention to the indissoluble relation that exists between the establishment of cereal prices on the one hand and the achievement of a satisfactory basis for the Kennedy Round on the other. Mr. Biesheuvel went on to say that Mr. Andriessen had only argued that if the Dutch desire to keep the Common Market open was not fulfilled and if we should fail to arrive at a satisfactory mandate, it would become very difficult for the Netherlands Government to take the European Commission's proposal on cereal prices into consideration. The Netherlands are, however, in favour of the proposal as such. Both Mr. Brouwer and Mr. Elfferich (Christian Democrats)



urged that the negotiations on the standardization of cereal prices should not be separated from those on the three regulations, particularly with regard to dairy produce. The Minister replied that he, too, was of the opinion that the three new regulations on production stood at the forefront of the negotiations.

The Minister sympathized with the views of Mr. Vredeling (Socialist) regarding control by the European Parliament of the European Guidance and Guarantee Fund. Mr. Vredeling had proposed that the matter should be settled through the adoption by the Council of Ministers of a resolution containing a statement of principle on the line of action to be followed in approving the budget in question. In that statement the Council could say, for instance, that it would attribute a definitive value to the opinion of the European Parliament and act in conformity with that opinion unless it was unanimously decided to do otherwise.

Mr. Biesheuvel concurred with the delegates who had maintained that the common financing system agreed upon in January 1962 called for an implementing regulation. Finally, the Minister stated that at the forthcoming negotiations on the Kennedy Round the EEC should certainly ensure that the concessions granted by it in the agricultural sector were counterbalanced by more or less equivalent concessions in the agricultural sector of other countries, regardless of whether these were importing or exporting.

(Ministerial Statement and Proceedings of the Second Chamber, State Budget for Agriculture and Fisheries, 4th-5th December 1963)

2. The Foreign Affairs Budget in the Second Chamber - comments on European political union

During the public debate on the Foreign Affairs Budget (1) a motion moved by Mr. Vredeling (Socialist) and others was adopted to the effect that the Chamber considered it essential that the Government should only assist in framing the implementing regulations of the European Agricultural Guidance and Guarantee Fund if a definite assurance was given that, in place of the powers which the national parliaments are losing in this respect, similar budgetary powers would be vested in the European Parliament. Mr. Luns (Minister for Foreign Affairs) stated that he agreed with the basic principle underlying the motion. The European Parliament should be in a position to exercise satisfactory control particularly as regards the spending on agriculture of large sums from the European Agricultural Guidance and Guarantee Fund. For the time being, however, the Council of Ministers would retain the decisive vote on the budget. A change in procedure would call for an amendment to the Treaty. Nevertheless, added the Minister, the Government would in Brussels vigorously uphold the wishes expressed in the motion.

In dealing with comments made by Mr. Van der Goes van Naters (Socialist), the Minister stated that he was not opposed to political union tending towards integration with the Six. At the last

(1) On 6th-8th November by the Budget Commission for Foreign Affairs; on 12th December 1963 in the Second Chamber.

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conference in Paris, the five countries had already been prepared to go a long way towards meeting French wishes as embodied in the Fouchet Report on condition that, at least in the future, a closer approach to the European institutions in a supranational direction would be possible. On this being rejected, Italy, Belgium and the Netherlands stated that they were not prepared to proceed on the lines suggested. No meeting had since taken place, but that, the Minister stated, was not the Netherlands' fault.

Mr. Blaisse (Christian Democrat) proposed that a balance-sheet should be drawn up showing the position of the integration process, a suggestion endorsed by Mr. Patijn (Socialist) who asked the Government not to adopt a negative attitude if it proved possible to resume the discussions in the Catani Committee; an element of constructive European counterbalance was essential. The Minister replied that at the moment no initiative was to be expected from one of the EEC countries, not even from Italy. Mr. Luns shared the views of Mr. Blaisse on consultation with the United Kingdom in the W.E.U. but disagreed with Mr. Patijn who held that as long as Great Britain was not a member of the EEC it should be excluded from all political consultation.

Mr. Van der Goes van Naters outlined a twofold basis for a new system of consultation on political union; first, consultation should be institutionalized in so far as the EEC Commission must be represented; secondly, the results should be discussed in the European Parliament in the light of a report. The speaker entered a strong protest at the course of events on the signing of the association agreement with Turkey, and expressed disappointment at the formalism in which the Minister clothed his replies to parliamentary questions on the subject. Mr. Luns then stated that there were two aspects of the matter - a legal and a political one. The legal aspect was perhaps doubtful. The political aspect was established as far as the Netherlands Government was concerned, and a refusal to sign when it was certain that not all were prepared to submit an agreement, before it was signed, for appraisal by the European Parliament, could have consequences that went beyond what Mr. Van der Goes van Naters would wish. The Minister assured the meeting, however, that there would be other opportunities for the Government to clarify its point of view.

Mr. Van der Goes van Naters, Mr. Berkhouwer (Liberal) and Mr. Westerterp (Christian Democrat) advocated the strengthening of the powers of the European Parliament and direct election of its members. Mr. De Block, Undersecretary of State for Foreign Affairs, stated that in this respect an investigation was being carried out, on the initiative of the Netherlands, by the Permanent representatives. Although the climate in Brussels was not at the moment favourable, the Netherlands would continue to strive for possible improvements on the basis of the existing texts of the Treaties and, inter alia, the proposals put forward in the Furler Report. Mr. Luns endorsed the request for direct elections of several deputies and added that if the ministers agreed, the matter would be in order, otherwise the EEC Treaty might perhaps have to be amended.

Mr. Blaisse still advocated the transfer of the Secretariat of the European Parliament from Luxembourg to Brussels, which was also the seat of the Executives.

Mr. Schuijt (Christian Democrat) asked the Minister whether he did not agree that the total membership of the new Executive should be fourteen, as also proposed by the European Parliament, and not limited to nine, as advocated in some quarters. Mr. Luns agreed that this number appeared to offer a satisfactory solution and that, if this was considered to be in the political interest, the Dutch would not think in terms of economy.

(Proceedings of the Second Chamber, 1963-1964 Session, 12th December 1963, Foreign Affairs Committee meeting 6th-8th November 1963).

### 3. Economic Affairs Budget in the Dutch Second Chamber

In drafting his budget, Mr. Andriessen, Minister for Economic Affairs, stated that the EEC Commission did not fully share the Dutch view that a common commercial policy towards third countries must embrace trade relations with them in their entirety. The Commission, having regard to its task, is inclined to withdraw as far and as soon as possible from national jurisdiction. The Member States view this tendency with some reserves. If only part of the trade relations were to be brought under the Community as the Commission suggests, an administrative vacuum would develop, owing to the lack of adequate powers to carry out a common commercial policy. Moreover, experience has shown that proposals for a partial solution of commercial policy problems are often of a predominantly protectionist nature and therefore at variance with the liberal common policy laid down in the Treaty. Instead of the gradual delegation of powers aimed at in the Commission's proposals, the Member States advocate that powers should be delegated only after agreement has been reached on the principles worked out for a common line of action. This, however, can also include the transfer of ampler means for the purpose than would be possible with the gradual delegation proposed by the Commission.

During discussions on the energy policy, Mr. Nederhorst (Socialist) pressed for the application of Article 88 of the ECSC Treaty so that subsidies could also be granted to the Dutch mines.

Mr. Maenen (Christian-Democrat) stated that the Netherlands had strictly adhered to the rules of the Treaty, whereas other Member States had pursued their own national policies. Germany was considering granting even great governmental aid. A considerable problem was the future of the Dutch coalmining industry which would depend on the share of total energy consumption retained by coal on both the national and the international level. Mr. Maenen therefore regretted the absence of a common energy policy within the EEC.

In reply to the suggested application of Article 88 of the ECSC Treaty, Mr. Andriessen stated that there was as yet no reason

for this. Before that he wants to try and talk things over. Asked what he felt about the idea of putting the energy sources - coal, gas and oil - in the same hands, the Minister replied that this would be carrying things too far and amount virtually to an energy monopoly.

(Final Report and Proceedings of the Second Chamber, State Budget for Economic Affairs, 20th-21th November 1963)

4. Parliamentary Questions

a) The European Miner's Code

On 13th November 1963 Mr. Andriessen, Dutch Minister for Economic Affairs, replied to a number of parliamentary questions by Mr. Nederhorst (Socialist) concerning the growing number of miners leaving the pits in the Netherlands.

The Minister stated that his government's attitude towards the European Miner's Code had not changed. This could be summed up by saying that the development of wages and working conditions for the Dutch miner should be viewed, in accordance with Article 68(1) of the ECSC Treaty, in relation to the national wages and prices policy, which aimed at the sound development of wages and other working conditions in all sectors. In the first instance, it was the Mining and Industrial Council (Mijn-Industrie-Raad), on which the appropriate employers' and workers' associations co-operated, that fixed wages and other working conditions, taking into account what was permissible from the economic standpoint. Moreover, the general approximation of working and living conditions referred to in Article 3 of the ECSC Treaty must be viewed against the background of overall economic integration. It followed that the Dutch Government did not link the adoption of the European Miner's Code and the amelioration of the miner's condition to the introduction of a common energy policy.

(Annex to Proceedings of the Second Chamber, 1963-1964 session)

b) Co-ordination of energy policy

On 21st November, in reply to questions from Mr. Blaisse (Christian Democrat), Mr. Andriessen stated that he was perfectly aware of the danger that failure to co-ordinate energy policy would lead to disparities in competitive conditions in the industries of the various Member States.

The Minister thought it desirable that the debate in the Council of Ministers of the ECSC should lead to the co-ordination and harmonization of existing and future measures. However, the interests of energy consumers in the Community would not be served by a protectionist policy which, in his opinion, would not be justified on the grounds either of the price or of a guaranteed supply of energy.

In working out the measures necessary for adapting the coal industry to the Community, the first step would be to ensure that, after a limited transitional period, the products of the Community's coal industry would be competitive with oil, natural gas and coal marketed by third countries. The measures taken should therefore extend over a specified period. To this end, the Dutch had put forward various proposals in the course of the negotiations for co-ordinating trade policy, harmonizing competitive conditions and removing distortions. In addition, the Netherlands had already requested the High Authority to prepare a report on the causes of the present manpower shortage in the coalmining industry as this was a problem of major significance for the future of coalmining in the Community.

The resolution adopted in the European Parliament on 18th October 1963 again stressed the need to introduce a common energy policy as soon as possible.

However, the introduction of a system of permanent aid for the Community's coalmining industry - as advocated by the European Executives - would clash with the interests of consumers and would impair the competitiveness of the Community's industries on the world market. Mr. Andriessen stated he would therefore not be able to concur in a policy based on the maintenance of an unprofitable system of coal production. The aim should be to achieve an open energy market and not one that was permanently protected. During a transitional period, the Community's coal industry had to be given an opportunity of establishing itself on a sound economic footing and increasing its efficiency to such a degree that, by the end of the transitional period, the products of the Community's coal industry can be marketed at competitive prices without distorting competition or relying on special support measures. The desire to arrive at a speedy solution during the negotiations on energy policy should not, however, be allowed to prejudice the scope and substance of the agreement to be reached. To this extent, it would also be unjustifiable to attempt at all costs to meet the time-limit laid down in the resolution of the European Parliament if this were to undermine the basis of a future steady flow of

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reasonably-priced long-term supplies and of a satisfactory level of production with suitable prospects for the workers and freedom of choice for the consumer.

(Annex to Proceedings of the Second Chamber, 1963-1964 session)

### c) Amendments to the 1964 Budget of the European Parliament

Mr. De Block, Secretary of State for Foreign Affairs, who was also speaking on behalf of Mr. Luns, replied on 29th November to parliamentary questions on the above subject put to him by Messrs. Blaisse (Christian Democrat), Van der Goes van Naters (Socialist), Berkhouwer (Liberal) and Miss Rutgers (Christian Democrat).

In accordance with the procedure laid down in the Treaties of Rome, stated Mr. De Block, the Councils of the EEC and Euratom would have again to discuss the draft budget prepared by them if any amendments were proposed in the opinion submitted by the European Parliament. Assuming that the contents of the resolution of the European Parliament of 18th October last will form part of the opinion to be submitted by the Parliament on the draft budget for 1964, the Netherlands Government would be quite willing to do everything possible to ensure that the Councils, when discussing the opinion, gave full consideration to the wishes expressed by the Parliament.

If the Council were to cut down the budget of the European Parliament, this might create the impression that the independent position of the Parliament was being encroached upon. It went without saying, declared Mr. De Block, that they for their part were prepared to do what they could in Brussels to prevent this. It should be borne in mind, however, that under the present system, final responsibility for the financing of all the institutions of the Communities lay with the Councils, who were consequently also responsible for a coherent policy with regard to the separate items of the budget.

In assessing the attitude adopted by the Councils on 15th October last, neither the Councils nor their Dutch member realized that the Councils' cuts in the Parliament's budget could result in the Parliament's inability to observe the provisions of the Statute of the Officials of the Communities. With regard to the comments of the European Parliament, Mr. De Block finally reported that, as representative of the Councils at the meeting of the European Parliament's Budgetary Committee, he asked for further details, which should be provided in due course.

(Annex to Proceedings of the Second Chamber, 1963-1964 session)

### III. OTHER PARLIAMENTARY COMMITTEES

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#### The WEU Congress on the promotion of European integration

The Council of the Western European Union met in Paris from 2nd to 5th December. In his opening address Mr. Carlo Schmid, President of the WEU, stated that he regarded the Kennedy concept of partnership between Europe and America as a most fruitful idea which our generation should turn into a political reality. The WEU Council, Mr. Carlo Schmid continued, was required, regardless of any purely national attitudes, to resume contacts with the Americans. Politically, the first task of the Western European Union was to strengthen unity between the six EEC States and Great Britain. The Europe of the Seven should constitute the European pillar which, together with the American pillar, had to carry the Atlantic union.

Mr. Schröder, the Federal Foreign Minister, stated that the German Government was convinced that collaboration in the EEC on an economic and social policies was not an end in itself but rather the first step towards political unity. Of course this required a new political impetus and further decisions by the government concerned. The German Government regretted the lack of such decisions and intended - within the framework of the Franco-German Treaty - to call for such decisions. It would welcome a re-opening of negotiations on the political union; after the conclusion of the work now being done in the Common Market and the successful outcome of the Kennedy Round there might be an opportunity for a favourable new start on this question. The German Government will, as in the past, press for solutions - satisfactory to all - to the numerous problems that had to be solved in the GATT negotiations. For it would be an "almost irreparable misfortune if the hopes set in particular on these negotiations were to be disappointed".

Mr. De Block, Dutch Secretary of State, deputizing for Mr. Luns as acting chairman of the Council of Ministers of the Western European Union, stated on 3rd December in the parliamentary organ of the W.E.U. that if the talks on political union in Europe were resumed, the Netherlands Government considered that the United Kingdom would have to participate from the outset. Such talks would have to be conducted in the Council of Ministers of the W.E.U. In view of the widely divergent opinions that still existed on this point, the Minister felt that the time was certainly not ripe for negotiations of this kind.

Mr. De Block further stated that, in the opinion of his government, there could be no security for Europe without full co-operation with the United States. The Netherlands therefore considered that a truly integrated Atlantic defence system remained as essential as fifteen years ago. The idea that a united Europe could play an independent role in world politics was dismissed by Mr. De Block. "We are convinced", he said, "that a Europe that desires to act alone, separated from its partners on the other side of the Atlantic, will tend to become a self-complacent, inward-looking community characterized by all the failures and shortcomings of outdated nationalism".

## Other Parliamentary Committees

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Lord Carrington, British Minister without Portfolio specially entrusted with European problems, stated on 3rd December that the United Kingdom still held the view that it should attend the talks on European political union from the outset if such talks were resumed by the Six. The British Government was of the opinion that it could make a constructive contribution to such discussions and fully endorsed the objectives laid down in the Bonn Declaration of 1961 drafted by the conference of heads of State and Government of the Six. Lord Carrington, however, made it clear that this could be achieved only at some time in the future.

The British Government, said Lord Carrington, felt that a resumption of negotiations for Britain's entry into the European Community was at present out of the question, but that England had not lost interest in Europe and was still striving for extensive European unity. As far as the immediate future was concerned, this aim should be pursued through closer co-operation in the W.E.U. so as to prevent the United Kingdom and Europe from drifting further apart.

On 5th December, Mr. Habib-Deloncle, Secretary of State for Foreign Affairs, stated in the WEU Assembly that: "after the breakdown of the negotiations between the Six and the United Kingdom on the latter's accession to the European Communities, the WEU has been chosen by the Governments as the setting for a resumption of contact - contact, it must be repeated, and not confusion. It is essential for Europe that the Communities should pursue their appointed task as laid down by the Treaties. It is essential for Europe that the Communities, which will doubtless be merged in the near future, should consolidate and attain maturity.

It cannot be in Europe's interests to stop half-way in implementing the Rome Treaty, to delay any longer the carrying out of a common policy for agriculture or to expose the relations that must exist between the Six to the influence or even the arbitration of the rest of the world, before the Community has attained its final form. Since, as we are convinced, what is bad for Europe is bad for the West, none of this could be of benefit to the free world.

The task that falls to the Communities is made up of reciprocal obligations and responsibilities, political and economical, which form an indivisible whole and which any other country in free Europe may assume, provided it is willing to accept them in their entirety. Although for the United Kingdom this possibility, while still open, is not, as the British Foreign Secretary has pointed out, an immediate one, at least contact has not been lost so that there can be no question of rejection."

Mr. Habib-Deloncle went on to say that the construction of a European political union was the natural sequel to the establishment of an economic union. It still consisted in inducing co-operation among countries that, in every sphere, accepted the same obligations and were willing to observe the same rules.



For the moment, the European Economic Community was devoting its energies to completing its own organization, especially in the agricultural sector. The time would no doubt come for a broadening of horizons. Any move then made in that direction could not but be welcomed by the French Government. Naturally, a resumption of such negotiations between the Six would not entail breaking off contact with the outside world, and in particular with the United Kingdom. This, after all, was the purpose of the ministerial meetings in the WEU.

In a speech made before the WEU Assembly on 5th December, Mr. Jean Rey, member of the EEC Commission, suggested that negotiations should be resumed within the Fouchet Committee, at present presided over by the Italian diplomat Mr. Attilio Cattini, with a view to establishing a European political authority on the basis of respect for the sovereignty of states, provided that commensurate progress was made at the Community level.

The present Communities could, he felt, be strengthened by a merger first of the Executives and then of the Communities themselves (Common Market, Euratom and ECSC) and by the election by universal suffrage of the European Parliament, whose powers would be increased to endow it with a right to exercise political and financial control and whose jurisdiction would be extended to the monetary field.

Mr. Rey attributed the failure of earlier negotiations within the Fouchet Committee to the fact that an attempt had been made simultaneously to impose political machinery based on national sovereignty and to arrest the development of the Communities. This was why he proposed a compromise solution that, while incorporating French views on the construction of a political Europe, was satisfactory to Community Europe in other respects.

Contrary to the wishes insistently expressed by the British Government, and more recently in the WEU Assembly by Lord Carrington, Minister without portfolio, Mr. Rey stressed that the construction of a political Europe should be carried out by the Six before Great Britain became associated with it.

If they began with the Seven, he observed, they would get nowhere. The Six would split up and nothing further would be done.

In a recommendation adopted at the close of the meeting the Council stated, with regard to co-operation between the EEC countries and Great Britain, that the WEU should remain an institutional basis for a wider European union. At the same time, however, it was stressed that the first object to be attained was a political unification of the Six.

(FAZ, 3rd December 1963; Bulletin of the German Government Press and Information Service, 5th December 1963; Nieuwe Rotterdamse Courant, 3rd and 4th December 1963; Le Monde, 6th and 7th December 1963)