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P a r t I

DEVELOPMENT OF EUROPEAN INTEGRATION

I. GENERAL PROBLEMS

1. German reactions to the results of the Luxembourg conferences

On 17-18 January 1966 an extraordinary meeting of the Council of Ministers was held in Luxembourg with a view to settling the EEC crisis precipitated by the French Government on 30 June 1965, and bringing France back to the conference table in Brussels. The major issues were the implementation of majority decisions, as provided for in the EEC Treaty of 1 January 1966, and the restriction of the Commission's powers of initiative.

The first conference brought little change in the crisis of the European Economic Community. The radical divergence of opinion separating France and the Five remained, although the viewpoints of the two sides on subsidiary questions were brought a little closer. The only tangible result was the decision to call a new conference for 28 and 29 January.

At the first meeting, France insisted on the maintenance of the right of veto in the Council of Ministers and on the restriction of the powers of initiative of the EEC Commission. In a timetable presented to the conference France called for a decision by the end of January on the right of veto and on proposals, contained in a ten-point memorandum, for revising the relations between the Council and the Commission.

After the first extraordinary meeting of the Council of Ministers of the European Community, the Federal Government expressed its concern - through its spokesman, Secretary-of-State von Hase - about the outcome of the Luxembourg conference. It looked to the Five to secure the full co-operation of their remaining partner. The Federal Government felt that the new talks in Luxembourg should be restricted to the two major issues: majority decisions and co-operation between the Council of Minis-

ters and the Commission. All other points, such as the question of individual appointments, timetables and ratification of the Treaty relating to the merger, could be discussed once France had resumed collaboration in Brussels. Asked whether Bonn had expected better results in Luxembourg, Mr. von Hase stated that the Federal Government's attitude to the negotiations had been fairly realistic; nevertheless, better results could certainly have been achieved. It would now be necessary, of course, to consider all the developments to which France's inflexible attitude might give rise.

Speakers of all the political parties represented in the Bundestag expressed their concern about the outcome of the Luxembourg meeting. Mr. Majonica, Chairman of the External Policy Work Group of the CDU/CSU, felt that the French proposals were inconsistent with both the spirit and the letter of the EEC Treaty and were therefore unacceptable in that form. The fact that negotiations had not been broken off could, in his opinion, be regarded as a positive achievement. Although an acceptable compromise would not be easy to reach, the Federal Government would do its utmost to take the edge of the European crisis. Faith must however be kept with signed Treaties, which no country could afford to brush aside. Mr. Starke (FDP) described France's action as an example of the "all-too-familiar tactics" whereby the remaining partners are made to appear jointly responsible for a new breakdown. It was essential that the EEC should survive, and on no account should immutable regulations that favoured one partner in particular be considered. The SPD Press and Information Service considered the decision to hold another meeting in Luxembourg as the only positive result of the conference. The French demands, which partook of the nature of an ultimatum, led one to fear the worst for the EEC as they would deprive it of any vitality. The crisis went deeper than many liked to believe; it struck at the very roots of the EEC, and Europe had a lean time ahead of it.

Dr. Rainer Barzel, Chairman of the CDU/CSU Group, sharply criticized the French attitude at the EEC conference in Luxembourg. European unity could not be achieved merely by issuing and obeying orders but must be based on mutual trust and a policy of compromise and give-and-take. There were limits to what France could do on its own and the Federal Government's policy would not be to retire into a corner to sulk. Dr. Barzel hoped that at the next meeting at the end of January the Member States would be able to settle their various differences in a calm frame of mind.

Economics Minister Schmücker, speaking on German television on 19 January, suggested that the crisis of the European Economic Community should not be overburdened with political problems. In his view the EEC was pursuing mainly economic objectives and the political union of Europe should therefore be sought at another level. He was disappointed by the outcome of the first Luxembourg conference but hoped that a rapprochement would take place in the days that lay ahead.

Dr. Franz-Josef Strauss, Chairman of the CSU, was the only German politician to endorse the French attitude to the EEC crisis. In an interview with the Regensburg "Mittelbayerische Zeitung" he expressed the view that the French should be granted a right of veto on Community decisions. "We too feel that we should not be outvoted against our will on an economic - or perhaps, one day, a political - question that we regard as of vital interest to us." He brushed aside the possibility of the Common Market's carrying on without France. He also opposed the view that the EEC Commission at Brussels could be regarded as the forerunner of a European Government since "sovereignty still rests decisively with the national Governments". He rejected however any proposal to change the text of the Rome Treaty.

Dr. Alwin Münchmeyer, Vice-President of the DIHT (German Conference of Industry and Commerce), speaking in Hanover on 24 January, stated that the position of the EEC Commission should on no account be weakened. Its right of initiative in particular should be preserved. The general view in the DIHT was that continued attempts should be made to reach an understanding. A formal right of veto for one country was rejected but it should be possible to meet French wishes by special arrangements under the rules of procedure. The President of the EEC Banking Association and of the Federal German Association of Private Banks, Freiherr von Falkenhausen spoke on 24 January 1966 at Cologne University in defence of the EEC Commission. The Commission was striving to act in a European spirit and to bring into being a larger European motherland. Its members could on no account be described as "stateless technocrats", the term applied to them by President de Gaulle. In the course of subsequent endeavours to overcome the crisis, the concept of the EEC - at least in its basic features - would at all events have to be retained.

On 27 January, on the eve of the second conference of the Extraordinary Council of Ministers in Luxembourg, the German Bundestag held a debate on the crisis in the European Economic Community. Foreign Minister Schröder

presented a detailed report on the first Luxembourg conference and secured the German Parliament's full backing for the second Luxembourg conference (1).

In an interview with the German Press Agency shortly before the first Luxembourg conference, Professor Müller-Armack expressed the view that the meeting of the EEC Council of Ministers could only succeed if a compromise was reached between the wishes of France and those of the remaining five partners. Success would depend on agreement by the French to a link between the EEC and EFTA, and acceptance by the other Member States of certain of General de Gaulle's demands. There could be no other solution for Europe than bringing together the EEC and EFTA and at the same time preserving the national organizations still in existence as a basis for a European organization. Nevertheless, the French argument for a "Europe des patries" pointed to the indisputable historical fact that Europe consists of national States. Professor Müller-Armack admitted that the EEC Commission, in its attempt to arrive at a political interpretation of the economic provisions of the Treaty, had probably gone too far as it had claimed for itself a corresponding political rôle.

The most important result of the second conference of the Council of Ministers in Luxembourg on 28-29 January 1966 was France's return to the conference table in Brussels to resume work in the European Economic Community. Mr. Majonica (CDU/CSU), commenting on the compromise reached in Luxembourg, stated that the dispute over majority decisions had been reduced to its true dimensions. The Commission remained a Community body enjoying equal rights. Mr. Wehner, Deputy Chairman of the SPD, described the Luxembourg formula as an imperfect but useful instrument with which to extricate the Community from the crisis. German press comments followed similar lines. The "Frankfurter Allgemeine Zeitung" wrote that while the EEC was for the time being disabled and its very existence threatened, it could no longer apparently be actually destroyed - this not so much in the interests of European unity as because national interests ruled out the destruction of the Community and, indeed, demanded its continued development. The Hamburger "Welt" stated that the five partners of France had warded off any watering-down of the EEC Treaty and had secured France's promise to return to Brussels. Failure to settle the question of majority

(1) See details in the previous number of this bulletin.

decisions had however made the Luxembourg conference only a partial success.

Foreign Minister Schröder, in an interview with the "Deutsche Welle", stated that the most important result of the second Luxembourg conference had been the return to normality. A modus vivendi had been found regarding majority decisions and no effort would be spared to find solutions as far as possible acceptable to all EEC partners. As regards the relationship between the Council of Ministers and the EEC Commission, the Council had expressed certain misgivings which would have to be discussed with the Commission. Regarding the outlook for political union of the EEC countries, Dr. Schröder remarked: "We shall not relax our efforts to achieve this aim." Dr. Schröder went on to stress that German policy was still aimed at extending the EEC. Efforts to establish closer contacts between the European Economic Community and EFTA were continuing.

At a press conference on 31 January 1966, Secretary-of-State von Hase issued the following statement on the results of the second Luxembourg conference.

"The Federal Parliament, whose attitude towards the problems of the EEC has been so strikingly supported by the Bundestag, welcomes the fact that as a result of the conference in Luxembourg the joint work of the EEC in Brussels can once again be resumed. The Federal Government hopes that the EEC will immediately proceed to tackle the other problems whose solution is essential to the vital interests of all. These include questions connected with the inclusion of the commercial and industrial sectors and with the Kennedy Round."

In the opinion of the DIHT, the Luxembourg conferences have cleared up only a fraction of the existing institutional and material problems. In a statement published on 3 February 1966, the DIHT points out that an increase in the powers of the Council of Ministers would only be acceptable if it implied a better political guarantee of the process of integration. At all events, the EEC Commission must remain the driving force for future progress.

On 31 January the Europa-Union published the following statement on the outcome of the second extraordinary meeting of the Council of Ministers at Luxembourg:

"The Europa-Union of Germany welcomes the outcome of the Luxembourg conference. France will now once again participate fully in the Community's activities, thanks to the

determined and convincing way the Five conducted the negotiations on the strength of the inviolability of the Community Treaties.

No Member State can allow the existence of the Community to be imperilled. Interests are now so closely interwoven that to turn back would involve grave economic and social consequences.

Work is going ahead in Brussels with a view to settling current difficulties and preparing the EEC for a merger of the economies.

This resumption of activities will enable the Community to go ahead with and succeed in the negotiations in the Kennedy Round. In view of the mounting desire in Great Britain and other countries for admission to the Community, the widening of the EEC can once again be considered." (Bulletin of the Press and Information Service of the Federal Government, No. 15, 2 February 1966; Information Department of the German Council of the European Movement, No. 2/3, 10 February 1966; Frankfurter Allgemeine Zeitung, 19, 20, 21, 25 and 31 January 1966; Le Monde, 21 and 23/24 January and 1 February 1966; Die Welt, 21 and 22 January 1966; Neue Zürcher Zeitung, 21, 22 and 31 January, 1 and 2 February 1966)

2. Franco-German talks

At the close of the meeting of the French Council of Ministers of 9 February, the Secretary-of-State for Information stated with reference to Franco-German talks held under the Franco-German Co-operation Treaty in Paris on 7 and 8 February: "Nothing spectacular was expected of this meeting whose purpose was to define common objectives and whose success was due to the practical approach adopted. Mr. Pompidou stressed the excellent atmosphere and the value of the talks he had with Mr. Erhard and Mr. Westrick. The construction of Europe was the concern shared by both delegations who considered that this was going forward slowly and that something new should be undertaken to fructify the efforts concerning political contacts between the Six. The machinery for this political construction was not defined but it was in principle recognized as desirable and France and Germany expressed their interest in that which might bring them closer together."

The Secretary-of-State for Information then explained that the talks had made it possible to increase scientific co-operation between the two countries and to promote research in the key sectors, and he added with reference to Europe: "Satisfaction was expressed at the results achieved in Luxembourg whose importance was emphasized. It will be necessary in Brussels to tackle the difficult and complex problems still outstanding." (Le Monde, 10 February 1966)

3. German comments on the Franco-German talks in Paris

European policy, bilateral relations between Germany and France and the coming visit to Moscow of General de Gaulle stood in the forefront of the Franco-German talks held in Paris on 7 and 8 February 1966.

Before setting off for Paris, Federal Chancellor Erhard dwelt in an interview with "Die Welt" on 28 January 1966 on the importance of the talks with General de Gaulle. Dr. Erhard stressed that it was in the nature of regular meetings that spectacular results could not be expected on every occasion. He had already pointed out before the CDU/CSU Group that the EEC crisis should not be reduced to bilateral tensions in the Franco-German relations. He expressed the hope that the situation in the EEC would become clearer before his visit to Paris and, if necessary, the question of closer political co-operation in Europe could be looked into, a matter on which more details would be necessary.

At the "Forum 66" of the Youth Union and of the Economic Council of the CDU in Wiesbaden on 4 February 1966, Dr. Rainer Barzel, speaking on "the new generation shapes the future", stated that Franco-German friendship was irreplaceable for all Germans on the road to freedom. Dr. Barzel pointed out that he could see "good chances for a spell of better weather and even sunny days between Bonn and Paris." The French President should be approached without provincial mistrust and asked to put forward the Federal Republic's viewpoint on the German question during his forthcoming visit to Moscow. After all, nothing would be better for France than to be the spokesman for human rights.

In an after-dinner speech given during the Paris talks General de Gaulle stressed France's desire to work jointly

in practical things with the Federal Republic and if possible also with the other European partners. Satisfactory co-operation should not be confined to the economic sector but also embrace the political sphere. In his reply, Federal Chancellor Erhard called for a Franco-German initiative in Europe. In spite of many difficulties and misunderstandings which had been largely overcome at the Luxembourg conference of Foreign Ministers, nothing had changed in the need "to build Europe". The Federal Republic and France were predestined to make it clear by their own action and their own initiatives "that the present situation in Europe is unsatisfactory". Dr. Erhard said that there was a danger that the peoples of Europe would "choke with opulence" unless new ways were shown to them.

Secretary-of-State von Hase summarized the outcome of the Paris talks as follows:

- 1) Germany and France shared the view that European political co-operation between the Six should be revitalized;
- 2) The implementation of the overall programme for the EEC agreed upon in Luxembourg ranked as a first priority;
- 3) General de Gaulle's visit to Moscow would offer an opportunity to put forward the European standpoint, particularly as regards France's attitude to the need for the reunification of Germany;
- 4) The consultation machinery of the Franco-German Treaty would be broadened to include co-operation in the scientific field;
- 5) Both partners were of the opinion that the Franco-German Treaty has given satisfactory results and would continue to bear fruit with increasing implementation.

Federal Chancellor Erhard stated in a summary of the talks that the Franco-German Treaty should be "extensively interpreted" and that its extension to scientific co-operation provided tangible evidence of this. The Federal Government and the German people need have no worry about General de Gaulle's State visit to the Soviet Union but look forward to the result of this visit with some nervousness and expectation.

After his return from Paris, the Federal Chancellor presented a detailed report to the Cabinet which was amplified by Ministers Schröder and Schmücker. Thereupon the Government's spokesman stated before the press that the

Cabinet considered that the results of the Paris talks spoke for themselves and that in German and French eyes it had been a satisfactory meeting. The French side had clearly given to understand that there could be no peace in Europe without German reunification. After Federal Chancellor Erhard had left France, he sent the French President the following telegram:

"I am returning to Germany with the feeling that we have succeeded in increasing the number of our friendly meetings which will certainly be of value to our two peoples and to Europe.

What today clearly shows is an atmosphere of calm confidence and direct understanding. The feeling of Community which is active in both peoples will enable us to overcome all difficulties and obstacles that lie in the way to an ever increasing and close practical collaboration."

After the pessimistic forecasts before the Erhard/de Gaulle meeting, the results of the talks were regarded as a positive achievement in Bonn. At all events prevailing opinion in Bonn was that relations between Germany and France were less tense and more friendly. Factors that contribute to this result were in particular the exclusion of a number of controversial questions of political forecasts and the fact that the talks were confined to practical co-operation. It was particularly emphasized that the rapprochement achieved in Luxembourg, a few days before had been confirmed in Paris. Mr. Majonica, Chairman of the CDU Foreign Policy Working Party, described the Paris meeting as successful. He dwelt in particular on three points. In conjunction with the decisions taken by the Council of Ministers of the EEC, it had been decided in Paris to treat the Brussels programme as first priority so that the meeting between General de Gaulle and Dr. Erhard should not stop at the stage of mere declarations of intent.

The statement that European co-operation should be revitalized also meant that the notion of political co-operation should be furthered. Moreover, the German question would be in the forefront of the East-West talks during President de Gaulle's state visit to Moscow.

The Social Democrats welcomed above all the improvement in the climate between Bonn and Paris. The Deputy-Chairman of the SPD, Mr. Wehner, said that if the extension of the Franco-German consultation machinery and of scientific collaboration was brought about, this would be an important step forward whatever other divergencies

might exist. The Social Democrats, however, had misgivings about the reference in the communiqué to the fact that General de Gaulle intended to put forward the "European standpoint" in Moscow since there were several European standpoints over which agreement had still to be reached. The free Democrats who had viewed the Paris meeting with some scepticism, described the results as a good starting point for pursuing the talks within the framework of the Community. This applied particularly to the agreement to give priority to the overall programme decided upon in Luxembourg. Mr. von Kühlmann-Stumm, leader of the FDP Group, also drew attention to General de Gaulle's willingness to discuss Germany's reunification during the Moscow talks during his Moscow visit. On this point the Hamburg "Welt" observed: "Admittedly the reunification of Germany for de Gaulle lies embedded in a rapprochement between Western and Eastern Europe, that is in a long process, but the newly-won impression that the General is a spokesman for German interests, should from now on have a favourable effect on Franco-German relations." (Frankfurter Allgemeine Zeitung, 5, 7, 8, 9 and 10 February 1966; Die Welt, 29 January, 8, 9 and 10 February 1966; Le Monde, 9 February 1966; Neue Zürcher Zeitung, 9 and 10 February 1966)

4. Italian comments on the Luxembourg conference

On his return to Rome Mr. Colombo, Minister for the Treasury and Head of the Italian Delegation to the Luxembourg conference, expressed his thoughts on the agreements reached in an interview with the weekly "La Discussionne". Mr. Colombo stressed that "France's return to the EEC Council of Ministers after the crisis of 30 June means the Community's return to normal life." He added that although there were still differences between the French Government and those of the other Member States, Europe could not develop without France and he ruled out the possibility of a Europe of the Five. Not only, he felt, had the Community resumed its normal operation but also the purpose of this resumption had been achieved in that the spirit and letter of the Treaty had been fully respected.

Mr. Colombo then went on to discuss unanimous or qualified majority decisions by the Six. He said: "We are all agreed that although we shall have the option to take qualified majority decisions, it is desirable that every

effort should be made especially with regard to the more difficult issues, to achieve solutions that may be accepted by all and which take into account the interests of all, especially during this delicate and difficult stage in the construction of the Community edifice which will continue until the end of the transitional period." Mr. Colombo trusted that there would be a complete revival of the Community spirit and that no prejudicial division would cause a split between the members of the Council; he went on to say that: "It will certainly be the duty of all those who firmly support the supranational idea to come vigorously to the defence of all that is supranational in the Treaty under all circumstances."

Mr. Colombo concluded his interview with "La Discussionne" by saying: "The best and wisest move that could be made to promote the revival of the political Europe would be to make the three Communities, which might be described as the nucleus of the political Europe, operate normally and expeditiously and to keep alive the European ideal for all the peoples of the old continent, especially the younger generations, because political moves originate and succeed when they have their roots in the solid convictions of the public at large."

Mr. Colombo returned to this theme in an interview which he subsequently gave to the weekly "L'Europeo", when he said: "It has always been our aim to bring the French back into the Community both because a Community of the Five would not have the balance that would make it valid in Italian eyes and because the Europe of the Six, not that of the Five is, as I see it, the essential prerequisite for the accession of the United Kingdom." On this latter point, he said: "I have always been convinced that the EEC needs the United Kingdom. There is no doubt that had the United Kingdom been in the EEC this crisis would have been much easier to manage." He concluded: "Our duty today now that this crisis has been overcome is to promote the life of the Community in such a way as to induce the United Kingdom to renew its efforts to join us."

At the same time Mr. Zagari, Under-Secretary-of-State for Foreign Affairs, who was a member of the Italian Delegation in Luxembourg, expressed his thoughts in an interview with the daily "Avanti!". Mr. Zagari stressed the contribution that the Italian Delegation had made to solving the crisis that had racked the EEC. He argued that the Luxembourg statement had to put an end to the empty chair policy and as far as the majority vote system was concerned, it had re-affirmed the validity of the

Treaty and the principles it embodied. "Without a shadow of doubt this means that one of the principles ideologically and politically axiomatic to the Europe of nation states theory has been overcome."

Mr. Zagari said that one encouraging lesson could be learned from the crisis, namely that "the unity of Europe measures up to the criteria and requirements, economic, financial, technological, scientific and social which in the second half of the twentieth century cannot be gained either in the name of balance-of-power theory or in that of any factious theoretical doctrine." He went on to maintain that the Community crisis had been overcome because it had been a growth crisis and not one affecting its underlying purpose. Indeed, he said: "economic realities have prevailed over purely political considerations because expanding and making the most of relations with the East European countries in economic, technical, scientific and trade terms was no longer the exclusive province of third-force diplomatic strategy but had become common ground for co-ordinated efforts by the democratic countries of Western Europe who were aware of its relevance to peace and world disarmament."

Mr. Zagari concluded by expressing the satisfaction of the Italian Government at the rejection of the idea of a Europe of the Five and at the democratic development of a wider economic and political Europe; the reasons for this satisfaction lay in the decisive importance of the French contribution to the unification process and in an awareness that had events taken a different course, the chances of British accession to a body in the throes of a crisis would inevitably have volatilized and that a dissolution would have constituted an unfortunate regression in relation to what had previously been achieved and in terms of progress from the present community of the Six to that of a greater Europe. ("La Discussion", 6 February 1966; "L'Europeo", 10 February 1966; "Avanti!", 2 February 1966)

5. French opinions on the meeting of EEC Ministers in Luxembourg

Mr. Pierre Pflimlin, President of the Consultative Assembly of the Council of Europe, considered "the outcome of the Luxembourg meeting would appear to be positive. From the standpoint of French interests, the meeting removed

two equally serious dangers threatening French industry and French agriculture: the dissolution of the Common Market and its continuation without France. From the standpoint of the European edifice and its chances of development, it was essential that the Treaty of Rome should remain intact, even though some of the machinery laid down by the Six for putting it into effect may give rise to difficulties. In this respect, the spirit mattered more than the letter. The Community will live if the Community spirit prevails over national pride and egotism, if conciliatory and co-operative methods take the place of threats and injunctions."

Mr. Jean Lecanuet, President of the Centre Démocrate, said: "As far as the immediate future is concerned, the salient fact is that France has resumed the seat in Brussels that she should never have left. France has thus shied away from any final breach. The worst has been averted. This would not have been possible without the pressure in France of public opinion which voiced its support for the European idea during the presidential election.

All that can be hoped for, in the immediate future, is that we may prevent the destruction of what has been initiated. But real progress towards unity in Europe will only come with a change of political leadership in France."

Mr. Jean Monnet stated that: "Reason and necessity have prevailed. This clearly demonstrates that when the Six discuss and when they continue their dialogue they ultimately reach agreement. This could have happened in July.

After several months of inactivity, the Common Market is to resume its forward march for the good of all without prejudice to the Treaties or to the essential rôle of the European Commission.

I earnestly hope that the governments will choose men of ability, for much will depend on the strength of the Commission. I also trust that they will be able to ensure the stability and continuity of that institution. Stability and continuity are indispensable in each of the six countries; they are even more indispensable in a Community in the making."

Mr. François Mitterand said: "General de Gaulle's policy has wasted many months, from the point of view of Europe, France and the French farmer. I am delighted that the Government has at last recognised the validity of the

theories that I put forward during the presidential campaign. I only hope that this agreement is sincere and that it will last and that further developments will make it possible for us to continue along the course now open to us."

Mr. Maurice Faure said: "The essential point is whether we are now prepared to respect the principle of common institutions or whether we are going to persist in an attempt to return to a purely intergovernmental system based on vetos and individual moods.

Nothing yet has been either compromised or salvaged. Considering the extent of our apprehensions, this can be regarded as an opening and hence as a positive outcome."

Mr. Pleven wondered why the French Government had started the crisis of 30 June instead of continuing to negotiate as it had recently done in Luxembourg.

Mr. Guy Mollet stated that it would be necessary, in the near future, to create the United States of Europe. Thus if France's partners had averted dissolution, they had been right in doing so, which allowed one to hope that the European idea would remain alive amongst them and that it would revive in France once de Gaulle had gone. However, a lot of time and, perhaps, a lot of opportunities too, had been wasted.

Mr. Jacques Baumel, Secretary-General of the UNR said: "Conditions are today much more favourable to the entry of the United Kingdom into the Common Market than they were before."

Satisfaction was also expressed in professional circles. Mr. de Caffarelli (INSEA) felt that "it would have been impossible to revalorize farm earnings without achieving a common agricultural market. There remains a lot to be done before this unification is fully completed, especially as regards (a) markets which are not yet subject to regulations and (b) financing the common agricultural policy." Mr. Villiers said that the French Employers' Council was delighted at the happy outcome to the Common Market crisis. It was full of hope for the future. French employers had always been very attached to the basic idea of the common market, which was a comprehensive concept. They were thus pleased that discussions in regard to regulations on financing agriculture would shortly be resumed. They trusted that the Six would also jointly broach the Kennedy Round so that Europe could bring its full weight to bear in them. Work towards economic union

had now to be accelerated so that union would be finalized at the same time as customs were dismantled." (Le Monde, 1 February 1966; Forces Nouvelles, 3 February 1966)

6. France and Europe

a) Europe in the campaign for the presidential election

European questions loomed large in the French presidential election. The Common Market crisis which came to a head on 30 June 1965, had caused strong feelings in French economical and political circles. At his press conference of 9 September 1965, General de Gaulle discussed the Community experience as a whole and stated that it was not on purely technical issues that France and her five partners disagreed; in his opinion, the division went much deeper and centred on the whole concept of Europe and the supranational issue. The other candidates in the presidential election were not unresponsive to the attitude taken by the President. Indeed, Europe became one of the main issues in the election. In the period leading up to the first ballot on 5 December the President discussed Europe on only one occasion; this was on television on 30 November when he stated inter alia: "The new Republic, which has worked hard and without a break to unite Western Europe and which has achieved some measure of success, wants this edifice to be completed fairly and reasonably; it wants French agriculture to become a full part of the Common Market in fact, without any so-called supranational commission or any majority ruling being able subsequently to call everything into question. If one day the question of organizing the Six politically should arise, it does not want France to run the risk of becoming involved, as a result, in any prejudicial action in Europe of which she might not approve. In short, the new Republic wants to take every precaution to ensure that it remains able to safeguard in every respect its essential interests."

In the period leading up to the second ballot, General de Gaulle discussed the problem of French agriculture on television on 13 December. He stressed the efforts that his Government had made in this connexion. He said that the Common Market was a vital outlet for French agricultural production and that it could act as a powerful stimulus in streamlining the structure of French agriculture. In his speech on television on 14 December he went into

European questions a little more deeply. He said: "Today nothing could be more logical than for neighbouring countries to form a European common market: France, Germany, Italy, the Netherlands, Belgium, Luxembourg and one day probably, Britain and Spain, and perhaps others. This is a geographic reality which has become an economic reality because these countries have moved closer together and are directly and immediately in touch with each other, because they have the same kind of economy and lastly because competition today has become a necessity. Competition is the spur that is indispensable to progress and particularly indispensable to economic expansion. Again the need is for competition. In short, the need is for a large market. This is why I am quite convinced and, indeed, why I believe that everyone shares the view that it is advisable, useful and even necessary to complete the creation of a common market between the Six."

General de Gaulle added: "It is not I who made the Treaty of Rome which, in principle, as you know, set up the Common Market. Had I been involved at the time when the Treaty of Rome was concluded, it would probably have assumed a somewhat different shape; nonetheless, I accepted it as it was and I have tried with my Government to make the best of it." He then went on to speak of the capital importance of the Common Market from the point of view of French agriculture. He stressed the work done by his Government to bring agricultural products within the scope of Community regulations. In this connexion he said *inter alia*: "We shall have to resume discussions on this question and as you know and as we have said, we, the French, are for our part quite ready and are even determined to do so, provided, of course, that these discussions lead to a successful conclusion and provided that bringing French agriculture within the scope of the Common Market and thus completing the economic entity of the Six is not made contingent upon political conditions which are from the French standpoint obviously unacceptable."

This brought General de Gaulle to the more general question of solidarity between the Western European countries; in his opinion, the main task should consist in organizing this solidarity. "The question is how this solidarity should be organized and what form it should assume. We must take things as they are because policies cannot be made on anything but realities." He said that the realities were the six countries. "It is these countries that must be brought together and it is these countries that must gradually become accustomed to living and acting together. In this respect I should be the first

to recognize and to consider that the Common Market is essential for this reason: if we succeed in organizing it and, thence, in establishing a genuine economic solidarity between these European countries, we shall have gone a long way towards achieving a fundamental rapprochement and we shall have done a great deal for our life in common." General de Gaulle also considered that the solidarity of the Six ought to be organized in the realm of defence.

He said that co-operation between States was indispensable and that the French Government had endeavoured to organize it. "But this attempt was not successful and since then nothing has been done except by us and we did something with Germany, that is we solemnly concluded a treaty of reconciliation and co-operation which was incredible after all that had happened. So far, this has not yielded very much either. Why? Because policies are the policies of States and nothing can be done to prevent this. Now there are those who argue "But Europe, the supranational Europe, it is simply a question of bringing all that together, it is simply a question of melting it all down together, the French with the Germans, the Italians with the English, etc." Yes, you know, it is easy and sometimes it is an attractive proposition to go along with dreams, to go along with myths; but these are only dreams, these are only myths; but there are also realities, and realities cannot be dealt with like that. Realities are dealt with on their own terms and this is what we are endeavouring to do and what we intend to continue to do. If we succeed in coming through the trials of the Common Market - and I sincerely hope we shall - it will be necessary again to take up what France proposed in 1961 and which was not at first successful - that is the organization of a nascent political co-operation between the States of Western Europe; when that time comes, it is highly probable that sooner or later Britain will come and join us and this will be perfectly natural. Of course, the Europe in question will not be what is described as supranational. It will be what it is. It will begin by being a co-operation and perhaps subsequently, as a result of our living together, it will become a confederation."

The European plank was also part of the platform of Mr. François Mitterand, the candidate of the Left. On 21 September he stated: "Europe is a great hope, it is also a need ... Europe is the surest means whereby France, which belongs to the Atlantic Alliance while remaining firmly attached to the idea of peaceful coexistence, can preserve and maintain its fundamental links in the West while holding out to every country of our continent a wide open prospect of a Community future." In a broad-

cast on 25 November, Mr. Mitterand criticized the Gaullist view of the construction of Europe: "Europeans must have the wisdom to progress via the federal stage for this will allow each country to retain its personality and defend its interests while belonging to a whole. I should consider that I had served the interests of France very well and those of the Left and the workers in general, especially the working class and the farm population, if I were able to bring them together in support of a simple idea for the construction of Europe. Such a Europe would have to be free from American hegemony. And only a political Europe would dare to enter into discussions with the East European countries. In Brussels, on 30 June I should have been as severe as General de Gaulle in my attitude to the claims of Germany and the Netherlands in particular. But had the attitude of General de Gaulle been more than a pretext he would have had recourse to the procedure laid down in the Treaty of Rome for settling disputes; that is what I would have done."

In an interview published in Le Monde on 2 December, Mr. Mitterand analyzed the whole range of agricultural problems from the European standpoint. He stated inter alia that: "It is not for France to lay down conditions for the resumption of the agricultural negotiations. When France has resumed her seat on the Council of Ministers, she will be able either to take the Commission memorandum of 22 July as a basis for discussions or else to make fresh proposals. It is certain that indispensable concessions will have to be obtained from the Netherlands and from Germany.

But France will have to go one step further. Far from attacking "delusive and chimerical myths" she should suggest to her partners that the construction of Europe should progress in federalist stages, which would enable each country to preserve its personality. I have decided my attitude: I am against the Europe of monopolies and the Europe of technocrats; I am for the political Europe which is a factor for peaceful coexistence and economic and social progress."

On the eve of the second ballot, the European plank in Mr. Mitterand's electoral platform assumed greater importance when he met leaders of the farm unions on 10 December. He said: "As far as French agriculture is concerned there is no alternative to the Common Market. All the reliable studies that have been carried out prove this. French agriculture can neither fall back on its own territory without limiting its production in a draconian manner, nor can it openly compete on the world

markets where there is a great deal of dumping without prices dropping sharply. Yet it is not a question of accepting just any agricultural common market: it must be one that is beneficial to the producer; Community preference must thus be clearly articulated and positive action must be taken to direct production in a sound manner in relation to markets (a) by simultaneously setting common guide prices for the main products, (b) by specialization and (c) by encouraging priority investment; action should also be taken to organize transport, stock-piling and the marketing of products within the European framework and to harmonize social protection for the farmer."

Mr. Mitterand also outlined his European political ideas in his speech on television on 11 December: "We must build Europe, a political Europe, along the lines adopted so far in the economic and technical fields. This Europe must be the decisive factor in the peaceful coexistence initiated at Vienna some years ago between Presidents Kennedy and Khrushchev. This Europe must be open to any country ready to accept its common obligations. It must form the basis for a union against any hegemony in order that peace may triumph. What I have to offer - for my part - is not a variety of policies which change every six months but a foreign policy based principally on the defence of peace and on the enlargement of the political communities." Speaking on the radio the day after he said: "It is on the contrary to have faith in our national genius to want to build Europe on the basis of reality. There is a decisive Europe, the economic and technical Europe of the Six. It would now be appropriate for this Europe of the Six to be endowed with common political institutions as soon as possible if we do not wish to allow the senior officials who direct them and the cartels and monopolies, that is the concentration of financial power they contain, to do with them what they will."

Mr. Jean Lecanuet, the candidate of the Centre, also made Europe the principal plank in his election platform. At his press conference on 26 October, he set forth the problem clearly: "For a France whose opportunities have been dissipated, we propose modernization along the path of recovery. But the scale of such modernization must not be that of France but that of the united Europe ... the difficulties that would ensue for industry, its structures, labour and management if the Common Market were suspended would be no less serious than for agriculture." On the level of politics proper he added: "In a world dominated by the giants - the USA, the USSR and, tomorrow, China - in a century of continents that are organized, there is no salvation for the nation State except through

becoming an integral part of free Europe. Freedom and independence have a reality only if they are based on power and we can have no power except in a united Europe ... a united Europe is the only practical way in which we can bring our enterprises up to the operating scale of modern times and hence compete with the economic powers across the Atlantic. It is also the only way in which we can establish a genuine military balance including, if necessary, the nuclear component within the Atlantic Alliance and thus allow of co-operation between equal partners, that is between the united Europe and the United States of America."

The Gaullist theories were subject to very strong criticism on this occasion from the candidate of the Centre. "Bogged down as the unification of Europe now is, the problem is no longer whether, how and when Europe will be federal or not, but whether it is to be united or broken. If the French people support us, relaunching Europe will be the first act of a new policy. France will resume the seat in Brussels that she left on 30 June. The Treaty of Rome will be respected in the letter and in the spirit as will the essential regulations of the European institutions, axiomatic to the success of this undertaking. A summit conference of the six Community countries would work out a common policy. It has been shown that without political resolve the economic machinery breaks down. The political integration of Europe is the key to the future. Peace and progress depend on it."

Having thus outlined the main points in his European policy on 26 October, Mr. Jean Lecanuet went on to discuss agriculture in his speech on television on 26 November. He said, inter alia: "The essence of the agricultural problem is the Common Market. For many years, the Government itself has acted in recognition of this after being converted to the idea of Europe. Why? The Common Market offers the French farmer the certainty that he will be able to sell at a better price and find markets in Europe. If we make the Common Market, Europe will offer exceptional opportunities to French agriculture. And now the Government states that the Common Market is not essential, that we could do without it. This is not true. The only alternative solution is malthusianism, a reduction in production and consequently a rural exodus and the end of family enterprise. We must save the Common Market, France must go back to Brussels. This is what I should do if I were elected."

Speaking in Strasbourg the same day, he reaffirmed the essential principles of a political construction of Europe

in the following words: "France in motion towards the United States of Europe: that is what we wish to bring about. If I were elected the first thing I should do would be to meet Heads of State of the Community to relaunch the Common Market and have France resume her seat in Brussels. Talks ought to be begun at once to relaunch Europe politically and to create a commission on the model of the Hallstein Commission to draw up a treaty on the political union of Europe. I am in favour of the election of a European Parliament by universal suffrage, of the election of a federal president and possibly, of a referendum on Europe."

Mr. Jean Lecanuet wound up his campaign in favour of Europe with a message given out on the day after the first ballot. His statement published on 9 December closed with these words: "I am completely convinced that the construction of a politically united Europe could be decisive for the future of our country. I must emphasize how serious any halt in the march towards a united Europe could be. There can be no question of just any Europe. We must give our support to the existing communities and their institutions and respect the Treaty of Rome. We must start on the course towards political unity in order to attain gradually but resolutely to the United States of Europe. The united Europe must also become the equal partner of the United States of America within the Atlantic Alliance."

European policy also featured in the campaigns of the other presidential candidates. Mr. Tixier-Vignancour criticized the Gaullist theory of Europe in a statement in "Le Monde" on 2 December. He argued: "General de Gaulle's flirtation with the East is obviously incompatible with marriage to the West." He added that "the European construction is only possible in terms of the Atlantic option because security is the overriding consideration. An independent Europe in the Gaullist sense is a chimera. A united Europe welded to the USA by the Alliance, for its security and its prosperity, this is the only future for us all. I should further like to make clear that those who in this presidential election profess their support for the European construction cannot be speaking seriously unless their economic option is to keep faith with freedom and private enterprise and to reject any form of planned economy. A marxist or economically controlled France would enter Europe under an insurmountable handicap with respect to the countries which put their trust in the personal qualities of individuals and where the State administers and guides without trespassing on the freedom of the individual."

Mr. Marcilhacy tackled the agricultural problem on television on 30 November: "The farmer will be saved or lost depending on whether the Common Market is realized or - as we may fear - postponed. I am in favour of a resumption of the Brussels negotiations." On the political level, Mr. Marcilhacy affirmed in an interview in "Le Monde" on 2 December that what was necessary was an integrated united Europe with a European parliament and a European government. He added: "The Treaty of Rome opens up the prospect of a united Europe. One cannot reject any idea of supranational power without misconstruing its underlying purpose. The Treaty of Rome is not static but a creator of laws. France must therefore resume her seat and then, without prerequisites, vigorously defend her own interests."

b) French political life and European problems after the re-election of General de Gaulle

Speaking on 31 December, the President of the Republic stated: "We can resume the organization of the Common Market of the Six but under conditions that are fair and reasonable and with the hope that on such a basis other neighbours will join it."

The decision taken by the French Government on 5 January 1966 to lower its customs duties against EEC Member States by 10 per cent, showed France's resolve to respect the Community deadlines. The Government furthermore would allow a period of four months for the approximation towards the common customs tariff.

On 2 February, the Council of Ministers approved the decisions taken in Luxembourg on 17-18 and 28-29 January and expressed its satisfaction at the prospects they held out for economic co-operation. The need for political co-operation in Europe, a subject about which the French Government had long since defined its attitude and made proposals, was also stressed. At his press conference on 21 February, General de Gaulle once again stressed the official French viewpoint on Europe.

Mr. Giscard d'Estaing defined the attitude of the Independent Republicans, after which the positions of all the parties in the governmental majority were known. In Clermont-Ferrand on 20 February the former Finance Minister stated: "As Europeans we believe that we need to unite our continent. We are not unaware either of the obstacles still standing in our path, the most serious of which are

in no way attributable to France, or of the need carefully to protect the interests of our country during difficult negotiations. We wish, however, to direct our economic, social and political reflections towards a construction which is one of the greatest tasks ahead of us."

The opposition as a whole drew the relevant conclusions from the presidential election. The Communists were the first to broach European questions. On 4 January, Mr. René Piquet submitted to the Central Committee of the French Communist Party a report illustrating the development of extreme Left attitudes on this subject. The report began along traditional Communist lines: the Common Market was in fact simply the result of a general agreement between the major capitalist monopolies. The rapporteur felt, however, that French Communists should recognize: "that the Common Market exists and that parties such as the Socialist Party, the Unified Socialist Party and the Radical Party, support it." He felt that the Communist and Socialist Parties and the other supporters of the European institutions could co-operate actively within the European institutions in the Common Market to promote a policy, other than that of trusts and cartels, which attached due weight to the interests of the workers in each country and to French national interests. He added: "As a member of the Common Market, France could take the initiative to promote the development of trade between all countries without discrimination, on the basis of equality and mutual benefits. Measures could also be taken to deprive the Common Market institutions of their technocratic character, which implies that the elected assemblies in each country and the unions should be represented and be endowed with real powers. In short, despite differences which continue to exist we believe that an agreement on a common policy is possible provided this is directed towards peaceful coexistence, easing tension, promoting co-operation between all the countries of Europe without discrimination, reducing armaments and promoting controlled general disarmament."

Europe remained the main theme for Mr. Jean Lecanuet and the Democratic Centre; on 8 January the latter issued a manifesto calling for a political revival and the creation of a new political movement to establish a European social democracy. It read: "The Common Market offers to our economy an advantageous competitive framework and to our agriculture the prospect of greater markets, improved returns and joint finance. The development of research, science and equipment makes a Community drive at the European level increasingly necessary. Partial agreements could no doubt be concluded but we should not make the

mistake of thinking that the operation and progress of the EEC can be lastingly guaranteed without a common political authority. The united Europe, open to Britain and to every country accepting its rules, has become a necessity. The nations of Europe cannot achieve power and prosperity or real independence except through unity. Only a politically united Europe will be able to enjoy the same authority in the world as the USA and the USSR. To be able to talk on equal terms with the USA within an Atlantic Alliance whose balance is restored and with the USSR to organize and consolidate peaceful coexistence, the united States of Europe could offer to the third world the support of Community assistance and the outflowing of a new humanism to the whole world. Strong and serene, Europe would in all international organizations become the advocate of disarmament and the architect of peace."

At a meeting at the "Mutualité" on 7 February Mr. Lecanuet discussed inter alia the outcome of the Luxembourg conference. "I am convinced that had we not exerted a decisive pressure during the electoral campaign, the Common Market which was brought to a halt last year would finally have been dissolved." He then criticized the French Government for introducing the right of veto into the Community procedure.

The European option was also confirmed by the Democratic and Socialist Federation, whose President is Mr. François Mitterand and includes the S.F.I.O., the Radical Party, the U.D.S.R. and the organizations of the Left. On 8 February the Executive Committee of this Federation stated that for the Social Democrats, Europe - the first organization set up through international resolve - would constitute a Community strong enough to talk on equal terms with Russia and China while remaining the friend of the United States. (Digest based on articles in "Le Monde" from September 1965 to February 1966)

7. The President of the French Republic discusses Europe

At his press conference on 21 February, General de Gaulle spoke inter alia of European questions. With reference to the agreement reached in Luxembourg, the President of the Republic states: "This agreement between the six Governments will have favourable and far-reaching implications. Indeed, for the first time since the Common Market

got under way, the fiction that the economic organization of Europe should come under an authority other than that of the States, with their powers and responsibilities, has been openly eschewed. The very fact that the foreign ministers have successfully dealt with these questions away from Brussels, gives explicit recognition to the need for a political basis and for political decisions to achieve success in the economic field; it also gave explicit recognition to the fact that such a basis and such decisions were a matter for the States and for the States alone and that it was for each of the governments to assess whether the measures to be adopted jointly were or were not compatible with the essential interests of their countries. On this basis it may be asked whether the economic negotiations which are to be resumed will lead to a satisfactory result. The political issue has to be settled. Whilst not underestimating the value of the studies and proposals of the Brussels Commission, it has in fact for a long time been thanks to the intervention of the States and, with regard to the common agricultural market, thanks to the intervention of France, that the European economic construction has gradually overcome its difficulties. But the imminent application of what is known as the "majority" rule and a corresponding increase in the powers of the Commission threaten to replace this reasonable practice by a permanent usurpation of sovereignty. Since reason has prevailed, it may be thought that economic negotiations will be continued under favourable conditions.

Is this, however, to be the sole aim of European ambition? Has it to be conceded that the six States of Western Europe, who have just reached agreement on the political conditions concerning their economy, must abstain from dealing with other questions amongst themselves when they themselves are the ones principally affected? In short, what evil spell would make it impossible for the Six to deal amongst themselves with political subjects of common interest or to organize their political contacts? France, of course, made a proposal to this effect a long time ago. Subsequently, the German Government, the Italian Government and the Belgian Minister for Foreign Affairs put forward similar proposals. There were undoubtedly slight differences between these proposals but all were agreed on one essential point: that the six governments should meet regularly to consider together political subjects of common interest. Well, since Luxembourg, the economic organization of the Six has resumed its normal course and France considers that it is more advisable than ever to put political meetings of this kind onto a practical footing.

It goes without saying that it is not a question of the Six's putting forward absolute theories as to what ideally the future European edifice should be, of imposing a rigid preconceived framework to realities as complex and shifting as those of the life of our continent and its relations with the external world, of considering the problem of the construction of Europe solved before we have even begun to live together in political terms, in short of getting lost once again in the myths and abstractions which have always prevented the Six from jointly undertaking anything beyond the painful adjustment of their production and trade. No! What is on the contrary essential is for them to meet together to work with the aim of co-operating. Indeed, at the recent Franco-German talks which took place when Chancellor Erhard visited Paris, the two Governments were agreed on this point and this would seem to me to be one of the main results of their cordial meetings.

The Six should concern themselves with the security of the Six, bearing in mind their close reciprocal propinquity, their geographic and hence, their strategic situation, their multifarious relations with neighbouring peoples: Britain, Spain, Scandinavia, etc. or with the United States or with the East European countries or with China or with Asia, the East, Africa, Latin America; they should also concern themselves with dovetailing their action in the scientific, technical, cultural and spatial fields, upon which the future of man depends. Since movement is proved in motion their solidarity will find its proof in co-operation.

Must this solidarity be enclosed in a kind of political and economic citadel? On the contrary, once union is achieved and, all the more so, once the Six have been joined by other countries, they could and should be a valid partner of the United States in every sphere, I mean powerful and independent. This union of the Six can and must also be one of the foundations on which could gradually be built the balance, the co-operation and, perhaps one day, the union of the whole of Europe which would enable our continent peacefully to settle its own problems, especially that of Germany, including its reunification and to achieve, as the cradle of civilization, a human and material development worthy of its resources and its capacities. If this union of the Six were achieved as of now, it would furthermore be a positive factor of the first order in favour of progress, understanding and peace among all the peoples of the world.

That is why if anyone of the States which is engaged with us in constructing the European Economic Community, felt impelled in this spirit to take in turn the initiative to propose a political meeting of the six governments, France's response would be positive and enthusiastic." (Le Monde, 23 February 1966)

8. Joint resolution of the European trade union organizations IBFG and IBCG on the European crisis

On the eve of the second extraordinary session of the EEC Council of Ministers in Luxembourg, a meeting was held at Brussels between delegations from the Executive Committees of the European Secretariat of the International Confederation of Free Trade Unions (IBFG) and the European organization of the International Confederation of Christian Trade Unions (IBCG) under the joint chairmanship of Bruno Storti (IBFG) and Jacques Alders (IBCG).

After examining the problems thrown up by the current crisis in the Community, the meeting unanimously adopted the following resolution:

The trade union federations consider that the negotiations entered into with a view to settling the present crisis must be based on the advances made since 1952 and must be such as to promote the actual progress of European integration while conforming to the Community Treaties.

Such progress stems from the constant confrontation of the European Executives' view of the Community and the national interests defended by the various Governments.

This confrontation, which is constantly renewed by the European Executives, of itself ensures the smooth operation and development of the Community, one of whose mainstays is the rule of majority decisions provided for in the Treaty. The two trade union organizations are therefore of the opinion that the drawing up of a programme of work in the Commission's absence amounts to an assault on the institutional balance of the Community.

As promoters of European unity and guarantors of its development, the trade unions desire to take a greater part than ever before in the activities and decisions of the

Community. They therefore reject the attempt to encroach on the Commission's right to keep the public informed regarding its activities and to maintain contact with trade unions.

The trade union federations of the IBFG and IBCG hereby decide to step up their co-operation with an eye to more vigorous development of the Community.

9. Memorandum to the Federal Government of Germany from the German Group of CEPES (European Committee for Economic and Social Progress)

On 25 January 1966 the CEPES Group (Germany) sent telegrams to Federal Chancellor Erhard and Foreign Minister Schröder warning them against accepting French demands, that is, against scrapping majority decisions in the EEC Council of Ministers and undermining the position of the EEC Commission in Brussels. At the same time the CEPES Group handed the Federal Government a memorandum spelling out its views on the European crisis.

The CEPES Group considers that the Federal Government should do its utmost - both under the Franco-German Treaty and in the EEC Council of Ministers - to ensure France's return to constructive collaboration in the existing institutional framework of the EEC. France should be told by the five other Governments that the Council of Ministers must now deal with long-deferred and urgent decisions even in the absence of French representatives, the missing French vote being treated as an abstention. Decisions taken by the Council on a proposal of the Commission in conformity with the Treaty would be communicated to the French Government in writing, and would be binding throughout the entire territory of the EEC including France.

As long as France kept away from the Council of Ministers, the Commission and the Council should endeavour to safeguard France's legitimate interests in any proposals or decisions. The Five should take any decisions in the Council of Ministers that were necessary for the continued development of the Community. The merger of the three Executives should, however, be postponed until France returned to the Council of Ministers, so as to avoid anticipating decisions on individual appointments.

One decision which, in the view of the CEPES Group, can no longer be put off, is to widen the Commission's mandate for the Kennedy Round negotiations. So long as France did not expressly demand to negotiate on its own, the Commission's mandate would also embrace France. Should France however wish to act independently, an attempt could still be made to reach agreement as between the Commission, representing the Five, and the French delegation to the Kennedy Round at Geneva.

Acceptance of the French demands would offer no guarantee of confident collaboration between the EEC partners in the future. On the contrary, it is to be feared that existing tensions between members would be heightened since less reliance would be placed on a Community approach.

Such a development would also adversely affect the decisions of enterprises in the Member States. Large-scale investment and long-term business planning presuppose confidence in the establishment of an ever-closer customs and economic union. The expectations of many undertakings would be disappointed and the interpenetration of markets would suffer a set-back, particularly as growing mistrust would give a fresh fillip to nationalistic trends in the various economies. Under such circumstances the EEC would lose its "pull" for other European countries. In addition, the Kennedy Round, in which important economic interests of the European countries are at stake, would be doomed to failure.

10. The Xth Congress of the Italian Liberal Party

The Xth Congress of the Italian Liberal Party (PLI) was held in Rome from 4 to 8 February. By an overwhelming majority the Conference came out in opposition to the Centre Left policy and in support of a return to the policies of the Centre. The Congress confirmed that the Atlantic Alliance and European unity were the cardinal points of liberal foreign policy.

Mr. Malagodi, Secretary-General of the PLI, had this to say on foreign policy in his report: "The European Economic Community which in our eyes is in embryo the political federation of the free nations of Europe, is undergoing a serious crisis. The Gaullists, who at most want a customs union, are opposed to it; they want the least possible interference in the domestic economic and

financial affairs of the nations involved and an arrangement which leaves them free to take the final decisions on major problems of production and trade. Our views lie at the opposite extreme. We endorse what has already been said in the Parliament with incomparable authority by our friend Mr. Gaetano Martino. In response to Gaullism we must neither give up nor give way. We consider exceptionable the compromise recently conceded in Luxembourg whereby France has obtained unlimited rights of discussion tantamount to the right of veto. We must require that the Treaties which France signed be respected in full, for these can neither be denounced nor violated by any country that does not wish to be excluded from the concourse of free nations. Once the Treaties are fully implemented at the economic level, a situation will arise whose political implications will be unavoidable. In the meantime, we should take advantage of every opportunity to extend the Community to the United Kingdom and the other EFTA countries, provided only they accept the conditions laid down in the Treaties of Rome."

Mr. Malagodi then said: "The Community should be outward-looking, as the Anglo-Americans say, not inward-looking or autarchic. It should therefore take to the Kennedy Round the desire to reach a successful conclusion for without these negotiations there is the risk of a regression in the United States - which will lead to a regression here - towards obsolete protectionist policies. Co-operation between a solid European Community and the United States on the basis of trade, which should be as free as possible, is essential if we are to broach another major international economic problem, namely that of monetary reserves." (Congress Proceedings, Summary Report, 4-8 February 1966)

II. ECONOMIC POLICY AND ECONOMIC SECTORS

1. Addresses on Common Market and agricultural policy at the "Grüne Woche" in Berlin

At the opening of the 30th "Grüne Woche" agricultural exhibition in Berlin on 28 January 1966, addresses were given by Professor Hallstein, President of the EEC Commission, Mr. Höcherl, Federal Food Minister, and Mr. Rehwinkel, President of the German Farmers' Association.

In his opening address Mr. Höcherl stated that the price paid for the Common Market should not be the surrender of trading relations with non-member countries. This was why the Federal Government was anxious that the Kennedy Round should succeed. An upswing in world trade would not only benefit the economy as a whole but also help to increase Germany's agricultural exports. Brisk and well-balanced world trade was also of value to the developing countries in that it provided them with scope to help themselves. German agriculture was taking steps to adapt itself to market requirements. The quality of agricultural products in particular had to be improved, and also farm and market structures.

Professor Hallstein pointed out that the Community crisis had its good side as it highlighted the need to weigh up what was essential and what could be discarded. The basic necessity to achieve European unity remained however unchanged. Professor Hallstein called upon farmers to place their trust in the Commission's agricultural policy. Agriculture was an integral part of the economy and must share in any economic success. In any case everything could not always remain the same in agriculture, whether a Common Market existed or not. At all events European unity held out the prospect of agricultural reform; so far the EEC's market organizations had brought only benefits to agriculture.

Mr. Rehwinkel would deplore any attempts to patch up the EEC crisis and advocated that barriers between the EEC and EFTA should be removed. He warned against impatience as the enemy of systematic progress and indirectly criticised the EEC Commission for having largely contributed to the EEC crisis and for being to blame for the economic split in Europe. (Die Welt, 29 January 1966, 7 February 1966; Le Monde, 1 February 1966; Frankfurter Allgemeine

2. The French Economic and Social Council against bringing forward the completion date of the EEC Customs Union

On 22 December 1965, the Economic and Social Council adopted an opinion on the implications of bringing forward the completion date of the Customs Union. This followed the submission of a report by Mr. J. de Précigout.

The Council recalled that the Rome Treaty had required the Member States to abolish all intra-Community customs duties and to apply a common customs tariff against third countries; it had also imposed upon them common policies on external trade and transport and, more generally, laid down that they should co-ordinate their policies and approximate their laws. Thus, it had set up an Economic Community and not merely a Customs Union or a free trade area.

Whatever the completion date of the Customs Union, it should coincide with that of the Economic Union. Thus, if one date were brought forward, so too should those for achieving the common policies provided for in the Treaty and the necessary economic and social approximations. Although the Common Market was having a favourable effect on the French economy and would do so increasingly in the future, in holding out, to French industry and agriculture, market opportunities commensurate both with their needs and their potential, it raised difficult problems for various branches of the economy and would require France to undertake a major adjustment drive.

- a) the Customs Union would as far as France was concerned, not only involve the abolition of all intra-Community duties but also an appreciable reduction in her customs duties against third countries (in which respect she differed from all of her partners except one) and for which there would be no counterpart;
- b) there were also signs of relative weakness both in the structure and the trends of the French economy; the inadequate investment in production and research was a source of concern for two reasons: because it was the result of former weakness and because it might be the cause of future weakness.

The time that these adjustments took would depend on the extent to which the needs of France were taken into consideration in the common policies and also on what was done in France to eliminate unfavourable disparities and promote the necessary changes.

France's need to adjust gave her special reasons for wanting the realization of the Economic Union to coincide with the establishment of the Customs Union. On this condition, it would be possible to reconcile the interests of France (and her legitimate concern to effect these adjustments without prejudice) and the interests of her partners who wished to see the Customs Union realized as soon as possible, by means of a common economic policy that attached due weight to the realities of the French economy.

The Council confined its attention to the essential approximations and the common policies and it recapitulated what had been done and what remained to be done at national and Community levels:

a) Social policy. Apart from ensuring equal pay for men and women, which had not yet been done, and maintaining equality in the paid holiday dispensation, expressly referred to in the Treaty, the latter provided (in Articles 117 and 118) for a further-reaching harmonization as a result of the operation of the Common Market and of the approximation of legislative and administrative provisions. There had been a time-lag in applying these articles, which had been prejudicial to the social objectives of the Treaty.

While the gross hourly rate including wages and social charges was for a long time higher in France than in any other Common Market country - which was not without consequences - it had been seen over the last two years that an approximation had been fairly general on this point, so that in some branches and in some countries the gross wage bill was now higher than in France.

In contrast, great difficulties still arose as to the make-up of this gross wage bill, the amount consisting in social contributions being usually higher in France than in any other Member State except one. To some extent this was due to a difference in the ends in view, to the disparities in the means employed and in the ways in which these were financed. The result of these differences might be inequalities from one country to another either between workers or between enterprises in the same sector.

The Council recommended that a study be made of the measures to be taken to give effect to the harmonization made possible by the economic development of the Community in the most socially beneficial manner possible and without prejudice to the overall balance. In more general terms, the harmonizations of social progress should be actively pursued.

b) Agricultural policy. After the time lags sustained by the Community in the sphere of agriculture, the decisions taken at the end of 1964 and the time-table laid down for the decisions to be taken up until 1967, made it reasonable to hope that on the date proposed by the Commission, the common agricultural policy, one of the essential conditions of the customs union, would be more or less final. The Council hoped that there would be no cause to amend either the decisions taken or the earlier provisions, despite the recent difficulties in financing this common agricultural policy. Assuming that this went through as planned, the Common Market would call for a major technical and structural adjustment drive both at the production and processing stages and in marketing agricultural products.

In order that the agreement reached might be beneficial to the French economy as a whole, the necessary action should be taken to preclude further imbalances. It would in particular be advisable as agricultural prices rose - a rise to be regarded as necessary - that this should as far as possible, be compensated for, subject to more detailed study, by reductions in the indirect taxation that should become possible as a result of the common agricultural policy.

c) Trade policy. Arriving at a common external trade policy as provided for in the Treaty was another of the prerequisites of the Customs Union. It fell to the Community to expand its trade with countries that had different economic systems, some because they were underdeveloped and had low living standards and others because their whole economy was nationalized and had a greater concentration of technical and financial resources. Any disparity between national policies in trade relations with third countries would create an unbearable disorder in the Customs Union. Failing any policy worked out by joint agreement, the Customs Union would preclude the attainment of the purpose of national policies; even if the question were settled for agriculture, in terms of a common policy, much would remain to be done for industry.

The Council considered that simply to liberalize trade, which to take it to the extreme, would integrate the Community in a North Atlantic free trade area, would be unacceptable. In compliance with the Treaty of Rome the effects of increased competition had to be coupled with and offset by common policy and the harmonization measures that the common interest demanded.

The Council recalled the need for joint action with regard to:

- i) duty rates and the common customs tariff; trade agreements with third countries;
- ii) quantitative controls on imports; safeguards against dumping and the disorganization of markets; credit, guarantees and other forms of export and foreign investment assistance;
- iii) foreign investments in the Common Market.

The tariff negotiations engaged upon under GATT at the initiative of the United States to reduce customs duties, were at present being conducted in compliance with the Treaty on behalf of the whole Community. The Council recalled the importance that it attached:

- i) to maintaining the common customs tariff at a sufficiently high level to ensure both the consolidation of the Community and the balance of trade, bearing in mind the association agreements made with several countries and the special problems of the developing countries;
 - ii) to obtaining genuine reciprocity on tariff concessions; it would be necessary to achieve a satisfactory settlement of the question of the appreciable disparities between the Community customs tariff and those of certain third countries and of the question of non-tariff obstacles to trade. Failing this, there would be no counterpart to the reductions sustained by France in addition to those resulting from applying the common customs tariff;
 - iii) to satisfactory decisions being taken on the products to be excluded from the negotiations;
 - iv) to the establishment of safeguard clauses as effective and as easy to put into operation as those available to certain foreign administrations.
- d) Taxes. The Council noted that the harmonization of turnover taxes and of indirect taxation throughout the

Community laid down in the Treaty, was now being envisaged along the lines recommended by France. On the other hand, the measures decided upon at the national level in respect of direct taxation with a view to enabling French enterprises having the same profits for distribution to enjoy the same investment opportunities as their foreign competitors, would not take effect before the completion date proposed for the Customs Union.

e) Energy and transport. The Council recalled that although the effect of competitive disparities between national transport and energy policies was at present offset by the relative isolation of the markets, it would be fully felt when the Customs Union was completed.

With regard to transport, harmonization could not be restricted to competition but must also embrace infrastructure. On this point, harmonization depended principally on decisions to be taken by France.

f) In more general terms, the finalization of the Customs Union would call for an overall harmonization of economic and financial policies within the Community. Directly or indirectly, the public authorities of the Member States at present ran some important branches of the economy and brought pressure to bear on all the others through their social, agricultural, trade, fiscal, financial and monetary policies, etc., not to mention the short-term economic measures they might take. This was not without drawbacks. Within the Customs Union, such diversity in the way in which the State intervened would obviously create intolerable anomalies and disorder.

Despite opposition in the early stages, real progress had been made with regard to the study of the medium-term policy. Yet although it seemed there would be no difficulty in reaching an agreement on overall aims differences of opinion remained appreciable on methods and on the implementing measures; hence the agents of the economy would in fact continue to be subject to different policies - which had its snags.

In conclusion, the Council noted that while progress had been made in preparing for the Economic Union, this still lagged a long way behind the Customs Union in terms of its finalization. As things were at present, it was unable to return a favourable opinion on bringing forward the completion date of the Customs Union: this would only be possible if the measures outlined above were carried through.

It also considered that it was not possible to continue in the present state of imbalance.

The Council was concerned to see that the Common Market were realized in full and within the time-limits laid down in the Treaty, and recommended that everything be done without further delay to implement common policies and to effect the necessary harmonizations. Lastly it recalled the need, as a matter of priority, to increase efforts at the national level to improve France's competitive position. (Journal Officiel, Avis et rapports du Conseil économique et social, 27 January 1966)

3. Adapting commercial structures to the Common Market

Mr. P. Lebouleux, Secretary-General of the Committee of Commercial Organizations in the EEC countries and national adviser on commerce, wrote an article on this subject in "Les cahiers de l'ILEC" ("Institut de liaisons et d'études des industries de consommation"); this was reprinted in the review "Problèmes économiques".

"The first consequence of the Common Market," wrote Mr. Lebouleux, "has, in the main, been a greater circulation of products, facilitated by the phased cuts in customs duties and the abolition of quotas, as a result of which a wider range of articles has been made available to the consumer. This has led, on the one hand, to a certain increase in the stocks kept on hand and, on the other, to keener competition. Experience has shown the real effects of the latter phenomenon, for example, with regard to household electric appliances, footwear, hosiery, etc. Hence French industry, in particular, being subject to substantial imports, has had to reconsider its policy and its methods and adjust to the new situation - which it has done successfully.

The consequences in terms of the commercial apparatus itself, have not as yet been of real moment, principally because what is known as "freedom of establishment" has only involved the elimination of restrictions contingent upon nationality and because decisions have been taken only with regard to the wholesale trade and ancillary occupations, a draft decision concerning the retail trade being under discussion."

With regard to foreign tradespeople settling in France,

Mr. Lebouleux noted that despite the coming into force of freedom of establishment there had been no change. "It may be asked whether there will be an increase when the directive relating to the retail trade comes into application; this is probable in the North, the North-East and the Mediterranean which already naturally constitute poles of attraction. It should be added that foreign penetration is progressing in another way which is not without causing some concern: the purchase of holdings in French enterprises which, though minority holdings at the outset may become majority holdings and lead to these enterprises being absorbed."

He considered that the differences in company law slowed interpenetration; this was why the EEC Commission had proposed various approximations and why in March 1965 the French Government had itself submitted to the EEC a note relating to the creation of a European type of commercial enterprise.

The corollary to the implantation of foreign tradespeople in France was the installation of French tradespeople in the partner countries. In addition to the reasons referred to, which constituted "brakes", there were others in France's case. Generally speaking, the heads of French enterprises were disinclined to settle abroad, and, moreover, the substantial investments that would be necessary implied capital resources not available to them.

"There have, however, been some achievements. This is the case in the wholesale trade where sales networks have been set up and companies floated which comprise enterprises of several countries; it is also the case in the mail order business and in the sphere of consumer co-operatives, the latter endeavouring to introduce specialization in their factories in terms of the Community.

What emerges with regard to adjusting the commercial apparatus is mainly modernization, greater space and increased warehousing facilities; but there has also been a "de-specialization" of enterprises; they are offering an increasing number of products for sale; this is due, on the one hand, to a natural trend already in evidence and, on the other, to the presentation of foreign articles which, furthermore, exercise a real attraction from the standpoint of the customer."

But the difficulties encountered, Mr. Lebouleux stressed, had appeared at two levels. The first was finance, for the resources available were insufficient for enterprises to be able to finance themselves and recourse to the fi-

financial market was often too heavy a burden and the means too scarce. Secondly, difficulties had arisen as follows: the lack or inadequacy of training at the staff or management levels. Increasing the size of enterprises furthermore necessitated "medium-level" staff which had to be trained.

With reference to the efforts of the Common Market at the consumer level, Mr. Lebouleux wrote: "There is no doubt that the range of articles on sale, from different sources, has been appreciated by the consumer. It is advisable to add, however, that the range has not been widened as much as might have been expected: the lack of harmonization of laws relating to products (prosecution of malpractices; laws governing veterinary medicine; marking and packing; technical rules and regulations, etc.) has been prejudicial to the expansion of trade."

The author concluded by examining the adjustments to be made by commercial enterprises. "Let us assume firstly that there will and secondly that there will not be Community progress throughout the economy. If the economy picks up, the constitution of a single market by 1 July 1967, at least for agricultural products, would appear to be uncertain and may call for an additional period of time equal perhaps to the transitional period laid down by the Treaty. In that case, it will be easier for commercial enterprises to adjust themselves provided that certain brakes are taken off, mainly in the sphere of credit, so that raising the scale of businesses to the European level may go forward under the best possible conditions and - in regard to staff training - so that staff, heads of firms, management and labour may be able to carry out the tasks allotted to them. This will, however, be insufficient on its own. Legislative and administrative provisions, which have for decades isolated national markets that should today merge into a single market, will also have to be approximated. The necessary adjustments are, in France at least, beyond the scope of the heads of firms. It is essential that, as is the case in the other Member States, the professionals should be associated in the studies and work involved in approximating laws and regulations.

Disparities between laws can act as a brake at least as effectively as customs duties or quotas on the expansion of trade, as is amply borne out by such examples as "technical obstacles" and health regulations. There will also have to be a European law, identical in application in the six countries, and covering bankruptcy, company statutes, indirect and direct taxation, price legislation and

competition rules.

If we assume there will be no recovery or that this will be held back, there is no doubt that the heads of commercial enterprises will, like those in other sectors, either hesitate or fail to pursue the efforts that their professional organizations and the public authorities have encouraged them to make, often at heavy cost. In any event, any regression to the status quo ante would appear to be inconceivable. The results achieved with regard to the free movement of products (customs duties and quotas) can not be called into question. The competition of foreign suppliers will continue and since commerce can only flourish if the other sectors (agriculture, industry) do so too, it is essential that adjustments be made, perhaps at a different rate, although this implies a danger in the event of a subsequent recovery, perhaps with different imperatives although the finality remains the same: the former concept of structure and scale of markets is out of date, a larger scale will have to be found." (Problèmes économiques, 3 February 1966)

III. EXTERNAL RELATIONS

1. Developments regarding the United Kingdom's entry into the Common Market

Between December 1965 and February 1966 a number of British statesmen and industrialists expressed their views on the prospect of the United Kingdom's entering the Common Market. Highlights from their statements are reproduced below in the following sequence: an article by John Davies, Director-General of the Confederation of British Industry; the views expressed by "The Times", by Mr. Heath, Leader of the Opposition, and by Mr. Soames, Shadow Foreign Secretary, and statements to the House by the Foreign Secretary and Prime Minister. Also reproduced are significant passages from speeches by Lord Gladwyn and Sir Con O'Neill, Head of the European Affairs Department, Foreign Office, which merit special attention. Further developments in connexion with Britain's entry into the Common Market will be reported on in the next issue of this bulletin.

The December issue of the "EFTA Bulletin", published in Geneva, contains an article by John Davies, Director-General of the Confederation of British Industry, on economic relations between the United Kingdom and the EEC. Mr. Davies points out that the Common Market has given further impetus to the evolutionary changes already taking place in the pattern of British trade. The abortive negotiations for British entry into the EEC served not only to heighten British industry's awareness of the immense potential of the EEC markets but also forced it to reappraise its trading policies and methods vis-à-vis the Community. As a result Britain has turned more and more to Europe, both as a source of imports and as a market for exports.

Turning to the present crisis in the Common Market, Mr. Davies writes that this is of crucial importance not only for the Six but for their trading partners the world over since "any serious check to the momentum of the EEC not only sets back yet again the long-deferred hope of eventual European integration but threatens the continued expansion of world trade that the emergence of the Community itself has done so much to stimulate in recent years." Mr. Davies stresses that it will be the conscious task of the Confederation of British Industry to look at every possible way that might lead to a solution of the problem of British integration. Even if existing circumstances seem to offer little prospect of an early settlement, it

would be fatal not to go on working towards this end with vigour and determination. The C.B.I. in fact hopes shortly to launch into a major exercise with this in view.

The preliminary work of the C.B.I. on the development of the EEC, ECSC and Euratom and the practical implications of Britain's eventual entry into the Common Market has now been concluded. The survey is along the following lines:

The first phase covers the practical and legislative effects on policy in the economic, taxation, employment, social, commercial, transport and energy sectors. Special studies are made of problems peculiar to coalmining, the iron and steel industry and agriculture. These concentrate mainly on sectors exhibiting outstanding advantages or disadvantages.

In the second phase the Council of the C.B.I. is to hold discussions with industry in the light of these reports. It is hoped in this way to reach agreement, early in 1967, on an overall policy which can be regarded as reflecting the views on this subject entertained in industrial circles.

On 4 January 1966, in an article entitled "Where Does Britain Stand?", the European Economic Correspondent of "The Times" observes that "the question of British membership of the Common Market has become a live issue again. It has taken a crisis in the Common Market which threatened its very existence for this to happen. But it has. The consequence is that Britain must be ready, when the time comes, to act." After briefly outlining the EEC crisis, the article goes on: "The Five have been beginning to think what to do if France was finally bent on wrecking the Community. To suppose that Britain could spring into the empty chair left by France, as it were by a conjuring trick, is absurd. The new Europe cannot be built without France, for obvious reasons. But - if it had to go on for a little time, while waiting for France - the crucial point would arrive when the Five felt they had to take decisions by themselves. They have studiously avoided doing so, but a prolonged absence by France would force their hand. It is at this moment that the Five might very well invite Britain to rejoin them in Brussels - the negotiations never having been formally suspended, only interrupted."

At a press conference given at the headquarters of the Foreign Press Association in Rome on 21 January 1966, Mr. Heath, Leader of the Opposition, stated that if his

party were returned to power, it would seize any favourable opportunity to get Britain into the Common Market. By a "favourable opportunity" he implied the desire of the Six to accept Britain in the Community. Mr. Heath added that the Conservative proposals, which suggest certain technical changes in the EEC's agricultural policy, and the agreements concluded between the EEC and a number of Commonwealth countries, had removed many of the obstacles to Britain's entry existing in January 1963. This view was borne out in a talk he had held with President de Gaulle last December.

During the two-day meeting held between the British Federal Trust for Education and Research and the "Britain in Europe" Movement, Mr. Heath put forward a rather pessimistic analysis of the situation. He saw no prospects of Britain's entering the Common Market before the close of the transition period of the EEC at the end of 1970. He had hoped that a favourable opportunity might present itself in 1968 but it seemed unlikely now that this would be the case. Earlier entry was completely out of the question, although this appeared to have been forgotten in the meantime.

On 17 January 1966 Mr. Christopher Soames, Conservative spokesman on Foreign Affairs, told the Anglo-Belgian Society in Brussels that Britain was again ready and willing to enter the Common Market. Europe without Britain was in the long run as unthinkable as Europe without France. The Six should constantly bear the problem of Britain's relations with the EFTA countries in mind, and Britain should show evidence of its desire to enter the Common Market and of its willingness to accept the principles of the EEC Treaty. As far back as 1961 the Conservative Government had expressed approval of the majority vote system in the Council and of the political independence of the EEC Commission. No change in this attitude had since taken place. Turning to recent statements by the Foreign Secretary, Mr. Stewart, Mr. Soames felt that, given good will, negotiations on Britain's entry into the Common Market would prove easier than a few years ago. The importance of economic relations with the Commonwealth countries had since diminished and the Commonwealth itself realized that Britain's future now lay in Europe.

In a statement to the House on 21 December 1965, Mr. Stewart said that Great Britain was ready and willing to enter the Common Market provided that certain British interests were taken into account. He added that considerable difficulties still remained, particularly in the agricultural sector. Asked by a Liberal Member whether

agriculture represented in the eyes of the Labour Government the main obstacle to Britain's entry, he declined to list the obstacles in order of difficulty but admitted that agriculture was one of the thorniest problems that had to be faced.

Speaking at the meeting of the Federal Trust for Education and Research earlier referred to on "Britain and the European Community", Mr. Stewart stated that Britain was ready to enter into new negotiations provided that its essential interests were safeguarded. He dealt in particular with the previous negotiations between the Conservative Government and the EEC and added that he believed that with good will and patience on both sides the difficulties surrounding Britain's entry into the Community could be overcome if negotiations were resumed. These difficulties nevertheless remained and some of them were considerable. If, for example, the common agricultural policy in its present form were considered, then from the British point of view it probably presented the biggest obstacle. If Britain had to accept this policy unchanged, it would clearly have adverse effects on her balance of payments and on the cost of living.

Britain's policy, as had already been explained, consisted in being ready to enter into negotiations for accession to the European Economic Community, provided that she secured satisfactory conditions and that her essential interests were safeguarded, just as the six Member States of the Community protected their various essential interests when they took on the immense task of drawing up the Treaty of Rome.

Britain was open to new ideas and would interpret the basic conditions that had been presented to her in the light of facts. Some of these conditions had changed since they had first been formulated in that they were now easier to fulfil.

There was therefore no hesitation on Britain's part provided that satisfactory ways of protecting her interests and those of her EFTA and Commonwealth partners were found, and that the Community was willing.

Britain was therefore ready and willing to enter the European Economic Community.

Stewart wound up with a reference to the easing in tension between Eastern and Western Europe. He pointed out in particular that one of the prime prerequisites for a continuation of this process was political and economic cohesion

in Western Europe.

On the same occasion Mr. Luns, Dutch Foreign Minister, had hinted that the Five and Britain could perhaps arrive at a political arrangement - a suggestion which both the Opposition and the Labour Government refused to consider. Mr. Heath only agreed with Mr. Luns that the present EEC crisis should not lead to a cleavage. Lord Gladwyn, who also took part in the discussion, urged that Britain should enter the Common Market, a view forcefully expressed by him in his recently published book "The European Idea".

During a debate held in the House of Commons on 10 February 1966 on the possibility of Britain's entering the Common Market, Mr. Wilson remarked that Mr. Stewart's statement that Britain would be ready and willing to join, provided her essential interests were safeguarded, reflected the official policy of his Government. He referred to the unacceptability of the Six's agricultural policy in its existing form and dwelt on the need to secure good conditions for Britain's entry. Mr. Heath asked Mr. Wilson for a declaration of intent confirming that his Government accepted the Rome Treaty and the development of the common agricultural policy, as otherwise all the Prime Minister's statements would be meaningless. Mr. Wilson thereupon accused the Leader of the Opposition of advocating the conditionless entry of Great Britain into the Community, adding that he had repeatedly warned that the common agricultural policy in its existing form, and perhaps even more in its future form, would adversely affect British interests, cost of imports, the cost of living and Commonwealth trade.

Mr. Jo Grimond, Liberal Leader, then asked Mr. Wilson whether Mr. Gaitskell's five conditions still held good. Mr. Wilson replied that they still applied, although some were now easier to fulfil than three years ago - for example British interests vis-à-vis the other EFTA countries. In a subsequent exchange, Mr. Heath stressed that the conditions laid down by Mr. Wilson made any discussion with the Community impossible. Mr. Wilson thereupon insisted that there was only one overriding consideration, that is, that British interests should be safeguarded, and reproached Mr. Heath for not having ignored the effects his demands would have, particularly in the agricultural sector.

In an address delivered in Paris, Lord Gladwyn, Liberal, suggested that only if Britain entered the Common Market could the other EEC partners avoid a hegemony of the

Federal Republic of Germany. In addition, Britain would have to discard any illusion that it was still economically a world power. Only by direct union with an immense trading bloc - he added - could Britain acquire power and influence throughout the world. In a speech delivered at Hamburg, Lord Gladwyn mentioned the following factors in connexion with a new approach by Britain to the EEC: the decline of the Commonwealth, increasing trade with the EEC, and the maintenance of the Atlantic Alliance which must regard a united and powerful Europe as America's partner. He stood for European union but rejected a loose federation of national States which, he felt, would swiftly lead to a form of nationalistic anarchy from which only the Soviet Union would profit. In an address given at Oxford in early January before 600 representatives of British agriculture, Lord Gladwyn remarked that if the Common Market continued in existence it would one day become a homogeneous political whole. It would then be difficult for Britain to draw any advantage from its position of isolation. The Western Alliance would accordingly be based on the links between the United States and Europe, and Britain would become either an isolated island forced to withdraw into itself, or a satellite of the United States.

Similar views were recently expressed by Sir Con O'Neill, Deputy Under-Secretary of State, Foreign Office, in an address entitled "Britain's place in Europe" to the Benelux Co-operation Committee in The Hague on 14 January 1966. Salient passages from this address are published in the February number of "The World Today". The speaker stated at the outset that in the field of defence, at least, Britain knew she needed the rest of Western Europe and the rest of Western Europe knew it needed Britain. Close collaboration was taking place on defence but more progress had to be made in the political field. The European idea was steadily gaining ground in Britain, particularly among the younger people.

Sir Con O'Neill went on to refer to two problems: the so-called British "special relationship" with the USA and the problem of "supranationality". Some people outside Britain believed the British were determined to cling exclusively to that relationship and were therefore reluctant to commit themselves fully to Europe. Whether Britain's relationship was "special" he did not know, but it was certainly important and would remain so. The kind of Europe contemplated in Britain would be a partner, not a rival, of the United States. Turning to the problem of "supranationality", Sir Con O'Neill pointed out that every international relationship affects sovereignty and

that exaggerated national independence is ineffective. Should Britain ever succeed in joining the Community, she might well be found to be the champion rather than the opponent of its "supranational aspects".

Sir Con O'Neill went on to say that the problems of the "special relationship" with the USA and "supranationality" seemed less important to him than they were sometimes said to be. More difficult were those connected with external trade, agriculture and the Commonwealth. The structure of British foreign trade had made it more difficult for Britain than for the six Member States of the Community, ten years ago, to think mainly in European terms, and still did today, though decreasingly so. By 1964, the picture had changed. Germany and the Netherlands had become major markets for Britain. The Community market had now become a most important one, particularly as it was an area in which Britain had a favourable balance of trade.

Another difficulty was the Community's agricultural policy. Although agriculture was also an important branch of British industry, Britain had to import large quantities of food at world trade prices. If the EEC's agricultural policy were adopted, it would inevitably lead to a rise in Britain's cost of living and industrial costs. The common agricultural policy was based largely on the interests of countries that are surplus producers. This did not mean that Britain could never accept the Common Market's agricultural policy, difficult though such a decision would be.

The third of the three main difficulties was the Commonwealth. Although the position regarding commercial arrangements had to some extent changed, Britain was still deeply involved in Arabia, in South East Asia and in Africa, and this gave her thinking a different slant.

Towards the end of his address, Sir Con O'Neill quoted the statements made by Mr. Stewart in December ("The Government are ready and willing to join the EEC provided that essential British interests are safeguarded"), by Mr. Wilson ("Our ultimate aim is a common European market embracing Britain and as many European countries as are prepared to join") and Mr. Padley ("The five conditions will be interpreted pragmatically in the realities of 1965-6-7-8"). The Government - he went on - would like to see a wider European unity, which partook more of the nature of EEC than of EFTA. When the moment came for Britain to join the European Community, it could not be expected to take over every comma of the Treaty. The Rome

Treaty had come into being through tough bargaining and compromises over national interests. If negotiations for Britain's entry were resumed, they would have to be conducted on a down-to-earth basis. The six Member States of the Community had themselves had to take difficult decisions which would have been impossible without compromises and understanding on all sides. The Six would therefore have to endeavour to take account of Britain's essential interests in the same way. (Neue Zürcher Zeitung, 24.12.65, 23.1.66, 12.2.66; Le Monde, 28.1.66; Die Welt, 4.1.66, 4.2.66; Frankfurter Allgemeine Zeitung, 28.1.66; Industriekurier, 27.1.66; John Davies, "The Importance of the EEC Market to EFTA countries", in EFTA Bulletin, Vol. VI, No. 8, December 1965; Sir Con O'Neill, "Britain's Place in Europe", in The World Today, Vol. 22, No. 2, February 1966)

2. EFTA parliamentarians discuss the EEC crisis

On the eve of the meeting of the Consultative Assembly of the Council of Europe on 23 January 1966, a number of parliamentarians from the EFTA countries gathered in Strasbourg for a discussion opened by Mr. Duncan Sandys (Conservative).

Mr. Duncan Sandys said at the outset: "The EFTA countries cannot wish that the EEC institutions should emerge from the crisis in a weakened position." In reply to the question what was EFTA's attitude to the crisis, Mr. Sandys stated that tact would have to be shown although one could not remain entirely passive. A positive development of the EEC was in any case important as the future of free Europe as a whole depended on it. He ruled out the possibility of EFTA and the EEC undergoing parallel development; if the crisis was surmounted, it would be the psychological moment for broadening the EEC and for agreements on political co-operation.

Should the door of the EEC open, EFTA members would join the Common Market individually or collectively and the Community system of the EEC including the principle of qualified majorities would have to be adopted.

The views of Mr. Duncan Sandys were not shared by those present who felt that a more cautious attitude should be adopted towards the EEC crisis. Mr. Geoffrey de Freitas (Labour), in particular, advocated a policy of wait-and-see. Mr. Karl Czernetz (Austria) hoped that the crisis

would soon be over so that his country's negotiations in Brussels could be pushed ahead with. Mr. Torstein Selvik (Conservative, Norway) stated that two problems lay behind the crisis: that of financing agriculture and that of choosing between a federation of States or a federal State. Mr. Maurice Edelman (Labour) felt that caution should be exercised since General de Gaulle could not be expected to make concessions regarding the powers of the Commission if one was oneself not prepared to make them. Mr. Per Federspiel (Liberal, Denmark) dwelt on relations between the EEC and EFTA and stressed that the progressive abolition of customs barriers within the two trading blocs would lead to a constant widening of the gap between them. He therefore suggested that customs dismantlement in the two areas should be structurally approximated so as not to undermine future prospects.

The general view was that EFTA should strengthen its organization and steer gradually in the direction of the EEC. In this connexion, Mr. John Colson, the new Secretary-General, pointed out that so far no response had been received from the EEC to proposals for fresh talks with EFTA. (Neue Zürcher Zeitung, 25 January 1966)

P a r t II

PARLIAMENTARY ACTIVITY

I. EUROPEAN PARLIAMENT

Activities of the Committees in February

Political Committee (1)

Meeting of 11 February in Brussels: In the presence of representatives of the Commissions of the EEC and EAEC as well as of the High Authority of the ECSC, examination of the present position of the Communities with particular reference to:

- a) the conclusions drawn from the extraordinary meetings of the Council of Ministers held on 17 and 18 and 28 and 29 January 1966;
- b) the conclusions drawn from the "colloquy" between the Parliament, the Councils and the Executives of 20 January 1966.

Appointment of a Rapporteur for the preparation of a report on the present situation of the Communities.

Meeting of 28 February in Paris: Perusal and adoption of the draft of a report on the present situation of the Communities. Rapporteur: Mr. Metzger.

External Trade Committee (2)

Meeting of 14 February in Brussels: Report by Mr. Rey more especially regarding the current negotiations between the Community and certain non-member countries. In the presence of a representative of the ECSC Commission, perusal and adoption of the draft of a report by

Mr. Bading on the proposal for a regulation concerning a common definition of the origin of goods. In the presence of a representative of the EEC Commission, perusal and adoption of the draft of a report by Mr. Vredeling on the proposal for a regulation concerning the gradual introduction of a joint procedure for the administration of quantitative import quotas in the Community.

Agricultural Committee (3)

Meeting of 15 and 16 February in Brussels: Exchange of views on the draft EEC budget for 1966 and approval of a note to be discussed between a delegation from the Agricultural Committee and the Budget and Administration Committee. Examination and approval of a draft Opinion by Mr. Briot, to be referred to the Internal Market Committee on a directive establishing the machinery for enacting freedom of establishment and the freedom to supply services in non-wage-earning activities in the forestry sector and on an amendment to the Council's general programme for eliminating restrictions on freedom of establishment.

Social Committee (4)

Meeting of 1 February in Brussels: Adoption of the (modified version of the) draft report by Mr. Sabatini and the draft resolution on the draft EEC Commission recommendation to develop vocational guidance.

Examination and adoption of a draft report by Mr. Sabatini on the occupational training policy aspect of the action programme with special reference to agriculture.

Examination of the finalized EEC Commission report on the action taken pursuant to the recommendation concerning the work of the social services on behalf of workers changing their residence within the Community; report examined in conjunction with the working paper on this subject by Mr. Carcaterra and appointment of Mr. Carcaterra as Rapporteur.

Meeting of 16 February in Brussels: Adoption of a draft report by Mr. Carcaterra on the action taken by the Member States pursuant to the recommendation on social services for migrant workers.

Appointment of Mr. Bersani as Rapporteur on the draft Council regulation amending and amplifying Regulations Nos. 3 and 4 on social security for migrant workers (seamen).

Preliminary examination of a draft Council regulation on the application of social security systems to wage-earners and their families changing their residence within the Community and appointment of Mr. Troclet as Rapporteur on this subject.

Internal Market Committee (5)

Meeting of 1 February in Brussels: Examination at a meeting attended by EEC Commission representatives of a draft Opinion by Mr. Armengaud to be referred to the External Trade Committee on the definition of the origin of goods; vote taken on this Opinion.

Resumption of the study of competition problems and of the position of the European enterprise in the Common Market and in relation to world economic developments; meeting attended by representatives of the High Authority and the EEC Commission. Rapporteur: Mr. Kapteyn.

Meeting of 8 February in Brussels: Examination, at a meeting attended by representatives of the EEC Commission, of the draft directive designed to co-ordinate the guarantees required in Member States from companies and firms (as defined in Article 58,2 of the EEC Treaty) to protect the interests both of members and third parties, the object being to make them equivalent.

Economic and Financial Committee (6)

Meeting of 17 February in Brussels: Discussion, at a meeting attended by Mr. Marjolin, Vice-President of the EEC

Commission, on the draft report by Mr. Kriedemann on the Commission survey of the economic situation in the Community. Mr. De Winter appointed drafter for a Committee Opinion, to be referred to the Internal Market Committee, on the rules of competition and on the position of European enterprises in relation to the Common Market and to world economy.

Meeting of 28 February in Brussels: Adoption of a draft report by Mr. Kriedemann on the Commission survey of the economic situation in the Community.

Committee for Co-operation with Developing Countries (7)

Meeting of 11 February in Brussels: Appointment of a Rapporteur on Euratom's relations with developing countries. Appointment of a Rapporteur on the ECSC's relations with the developing countries. Perusal and adoption of the draft report by Mr. Metzger on the results of the second meeting of the Parliamentary Conference of the Association. Discussion with the EEC Commission on the present situation of the Community as regards the Association and relations with other developing countries. First exchange of views, in the presence of the EEC Commission, on problems of technical and cultural co-operation in the Association (Rapporteur: Mr. Moro)

Meeting of 25 February in Luxembourg: Discussion of the problem of keeping the Associated States informed on the activities of the European Parliament on behalf of the Association. Perusal and adoption, in the presence of the EEC Commission, of the draft report by Mr. Moro on current problems connected with technical and cultural co-operation in the Association.

Transport Committee (8)

Meeting of 3 February in Brussels: Exchange of views with Mr. Schaus, member of the Commission, on the application of the rules of competition to transport and on an enquiry into the structure of the transport market. Mr. Brunhes

appointed Rapporteur on the draft regulation for abolishing discrimination on transport prices and conditions. First exchange of views with the Commission on this draft regulation.

Energy Committee (9)

Meeting of 28 February in Brussels: Information reports on the energy policy developments in the various Member States, with particular reference to the energy policy measures of the Governments in favour of coalmines. First debate on the indicative European energy situation 1965-66 of the High Authority. Debate on the policy planned by the EEC Commission for hydrocarbons. Resumption of the debate on the indicative programme of the Euratom Commission (Article 40 of the EAEC Treaty). Debate on the aspects of coal processing in the light of a note from the General Directorate for Coal of the High Authority.

Research and Cultural Affairs Committee (10)

Meeting of 3 February in Brussels: In the presence of Mr. Sardo, Director of the European School at Brussels, as well as representatives of the Parents' Committee, and of the three Communities, at the Council of the European Schools, perusal and adoption of the draft report drawn up by Mr. Merten on the establishment of European Schools leading to the High School diploma.

Meeting of 22 February in Brussels: In the presence of representatives of the EEC Commission and of the Euratom Commission, discussion on the draft resolution by Mrs. Strobel relating to the creation of a European youth project (Rapporteur: Mr. Scarascia-Mugnozza). Perusal and adoption of the draft report by Mr. Bernasconi on the creation of a European sports diploma.

Health Protection Committee (11)

Meeting of 15 February in Brussels: Exchange of views with the Euratom Commission on health protection at the nuclear research establishments in Community countries in the light of the recent accident at the Mol Research Centre in Belgium.

Exchange of views with the EEC Commission on its report on the implementation of the recommendation it addressed to the Member States in 1962 on health and safety at work; Mr. Bernasconi appointed Rapporteur on this subject.

Perusal, at a meeting attended by EEC Commission representatives, of two draft recommendations relating to:

- a) a Community definition of the degree of invalidity required to qualify for benefits;
- b) maternity protection;

and appointment of Mrs. Gennai-Tonietti as Rapporteur on these two draft recommendations.

Budget and Administration Committee (12)

Meeting of 25 January in Luxembourg: Exchange of views with the EEC and Euratom Councils on the draft budgets for 1966. Resumption of the study of budgetary proposals for 1966 at a meeting attended by representatives of the EEC and Euratom Commissions.

Examination of and approval of the draft report by Mr. de Gryse on the draft operating budget of the EEC for 1966.

Examination and approval of the draft report by Mr. Battaglia on the draft operating budget and the draft research and investment budget of Euratom for 1966.

Legal Committee (13)

Meeting of 10 February in Brussels: Mr. Deringer elected Chairman to succeed Mr. Weinkamm. Examination and approval of the report by Mr. Bech and appointment of

deputies on the Committees (amendment of Articles 37,2
and 40,3 of the Rules of Procedure).

II. NATIONAL PARLIAMENTS

a) France

The paramountcy of Community law

Respect for the paramountcy of Community law on the part of the French judiciary was the subject of a written question addressed to the Minister of Justice by Mr. Spenale (Socialist). In this connexion, he put a number of questions to the Minister on the information available to national judges concerning Community decisions and on the directives issued to them to ensure respect for the paramountcy of Community law and for the procedure governing applications for preliminary rulings laid down in the EEC Treaty.

In reply, the Minister pointed out that: a) Community decisions having general application throughout the Six are published in the Official Gazette of the European Communities. French courts may without difficulty obtain copies, in French, of this publication from the Gazette's sales and subscriptions office in Paris. Many Community texts, furthermore, are issued as administrative or private publications and are easily obtainable; b) it is not customary for the chancellery systematically to issue directives to public prosecutors with respect to the application of rules of law that are in force, whether these come under national or international laws. The application by the courts of Community law - and, in particular, of the provisions of the Treaty that created the European Economic Community, which has been in force for nearly eight years - would not appear, under the circumstances, to necessitate any special intervention; c) Article 177 of the Treaty setting up the European Economic Community expressly provides that when any question concerning the interpretation of the Treaty "is raised before any court of law of one of the Member States, the said court may, if it considers that a decision on the question is essential to enable it to render judgment, request the Court of Justice to give a ruling thereon.

Where any such question is raised in a case pending before a domestic court of a Member State, against whose decisions there is no possibility of appeal under domestic law, the said court is bound to refer the matter to the

b) Netherlands

1. Discussion in the Second Chamber on the agreement reached in Luxembourg

On 1 February, Foreign Minister Luns report to the Second Chamber of the States-General on the negotiations in Luxembourg at the second extraordinary meeting of the Council of Ministers. He stated that it was largely as a result of the close co-operation between the Dutch and German delegations that an acceptable agreement had finally been possible. The discussions on the majority vote decisions were concluded on the basis of a joint Belgian-Dutch document which recorded the disagreement that still existed between the Five and France. This meant in fact that the French Delegation had made a reservation which was not accepted by the other members. "For a debate on such an important point, this was not a particularly desirable outcome; it is, none the less, acceptable to the Dutch Government, firstly because it is not certain that France will take advantage of this reservation - if she did so, the Five others would immediately counter with a "non possumus" - and secondly, because the Treaty has been preserved intact."

Commenting on the text adopted in Luxembourg, Mr. Luns stressed that the disagreement that had emerged between the Five and France had not prevented the resumption of the activities of the Community according to the normal procedure. Could it be deduced from this that, in the view of the Six Governments, work could be carried on normally if a disagreement arose about the application of the majority rule? Indeed not. The only possible interpretation in keeping with the original text of the document was that in such a case, the majority rule would have to be applied.

The memorandum on relations between the Commission and the Council was considerably modified and reduced to seven points. The right of initiative of the Commission had remained unimpaired. The two institutions would cooperate more closely in the sphere of Community information. For Mr. Luns this meant that information on the

work of the Commission itself would remain the latter's prerogative. The French Delegation withdrew its draft timetable concerning the work of the Council.

The speaker called upon the Chamber to ratify the treaty on the merger as soon as possible and the Dutch Government undertook not to submit the instruments of ratification until an arrangement had been found that was acceptable to the Six countries on the membership of the new Commission, its powers, the allocation of its duties, a possible rota system and all the other questions arising in this connexion.

Mr. Luns assessed the present situation as follows: the satisfaction engendered by the Community's return to normal operation was to some extent vitiated by the prospect of difficult discussions, especially on the problem of financing agriculture, the Kennedy Round, the membership of the new Commission and the allocation of its duties. The differences on points of principle between the Five and France had not been overcome; hence it was possible that the Community would again be faced with a crisis.

Mr. Blaisse, spokesman for the Catholic People's Party (KVP), drew attention to the changing pattern of relations between East and West; gradually a new political climate was emerging, which would "enable us to abandon our defensive position, which was fully understandable at one time, in the conflict between East and West and to seek new forms of co-operation founded on peaceful confrontation. The reorientation of Western policy could also be the occasion for a revision of our attitude to Germany. To improve the agreement between East and West, solutions ought to be found that fit into the general context of current European problems."

The Catholic People's Party did not welcome the outcome of the Luxembourg meeting without reservation. The Government had verged on the limits of the acceptable. The fact that the Five countries had presented a common front was a positive factor. But on the question of majority decisions, the crisis continued and the speaker hoped that if it proved impossible to reach unanimous agreement, France would come round to the majority decision of the Five. The Catholic People's Party pointed out that the Treaty had to be enacted in a balanced manner and stressed the outward-looking character of the Community. The speaker felt that the United Kingdom should not accede to the Community before the precise implications and practical operation of the Luxembourg

agreement were known. For it would be unacceptable if the United Kingdom in turn entered the same reservation as France.

Lastly, the Group considered that the budgetary powers of the European Parliament should be increased as soon as the Community attracted independent revenues and that there should be no slackening in the efforts to associate the European Parliament in one way or another in the legislative process.

Speaking for the Socialist Group, Mr. Patijn said that the crisis had not been resolved but simply shelved. The general impression was that the EEC had not succumbed but it was going ahead on the precarious basis of a disagreement which was in the nature of a time bomb.

Mr. Patijn, unlike Mr. Blaisse, felt that the United Kingdom's accession would be highly advisable. It would be better to tackle all the problems together while taking care not to impair the structure of the Treaty.

Mr. Bos (Historic Christian Union) regretted that the Five had agreed to the progress of the EEC being held up by France. This was in fact what followed from the fact that no satisfactory solution had been found to the crisis. The speaker felt, however, that the result achieved was better than any other solution.

Speaking for the People's Party for Freedom and Democracy, Mr. Berkhouwer trusted that the Five would take up again the initiative in building Europe and not be content simply to view French attitudes negatively. With regard to the United Kingdom, he regretted that its accession was more often than not regarded as a way out of a dilemma. It was a mistake to think solely in Continental terms. The Six had to continue their efforts to achieve a rapprochement not only with the United Kingdom but also with the other EFTA countries, because the internal customs duties would soon be removed within both associations. The speaker was concerned at the lack of dynamic ideas among the Five and at the protectionist trends manifest among the Six.

Miss Rutgers, spokesman for the Anti-Revolutionary Party, considered that the Luxembourg statement was not a legal document; yet although it did not have the force of law it had a political significance which would depend mainly on the attitude taken by the Five during subsequent negotiations.

Mr. Luns endorsed the opinion of Miss Rutgers, stating that the Luxembourg document was a "sort of aide-mémoire of the views of the Member States on the policy they intended to pursue when decisions had to be taken on the Council. Five of the Six countries had similar ideas; as to the sixth, it could not necessarily bring any influence to bear on the way the others acted in any given set of circumstances." The Commission could consult the European Parliament at any time. The talks with the Commission on the remaining seven points of the French memorandum would take their normal course according to the procedure laid down in Article 162 of the EEC Treaty, so that the Council could decide its attitude by a simple majority.

As to the desirability of any short-term initiative concerning the United Kingdom, Mr. Luns was less reserved in his attitude than Mr. Blaisse. Care had to be taken, however, that the discussions that were held did not impair the institutional structure of the present EEC Treaty. The speaker pointed out, moreover, that the present British Government did not regard the institutional structure of the Communities as a major obstacle.

Mr. Luns stated that the Dutch Government would support the retention of Mr. Mansholt as Vice-President of the new Commission. Its attitude to the retention of Mr. Hallstein as President of this Commission would depend primarily on the attitude taken by the Federal German Government. (Debates in the Second Chamber on 1 February 1966, session 1965-66)

2. Procedure for ratifying the merger treaty

In its interim report on the bill approving the treaty merging the Executives, the Foreign Affairs Budget Committee stated (a) that if the submission of the instruments of ratification were delayed until certain arrangements had been made and accepted by the Six countries this would raise a problem of constitutional as well as political import and (b) that the statements made on this subject by the Government implied that the States-General were asked to give not final but only conditional approval to the treaty.

The Committee had so far not shown itself at all ready to leave to the discretion of the Government the timing of the ratification of the treaty; several means had been

envisaged "to ensure that the Parliament might, as was proper, bring its influence to bear on the matter." Hence, the date on which the ratification act came into force would be decided along legislative lines. The Chamber could, at several stages, adjourn the debate, especially if it deferred the submission of the final report of the Committee or if it postponed sine die the final vote on the bill. The Chamber could also move a motion requiring the Government to notify the Chamber in good time of its intention to submit the instruments of ratification.

The Chamber decided to make a final decision on the bill, subject to its agreement on the membership of the new Commission (i.e. on its agreement on the appointment of all 14 members); several members then said that they might be willing to withdraw this reservation if they were convinced that the European Parliament would exercise adequate supervision over the constitution of the Commission. They thought that the Community parliamentary body was better able to judge of this political matter than was a national parliament. As regards the terms governing the intervention of the European Parliament, one possibility might be talks between representatives of the governments and the President of the Parliament and the Chairman of the political Groups in that Assembly.
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