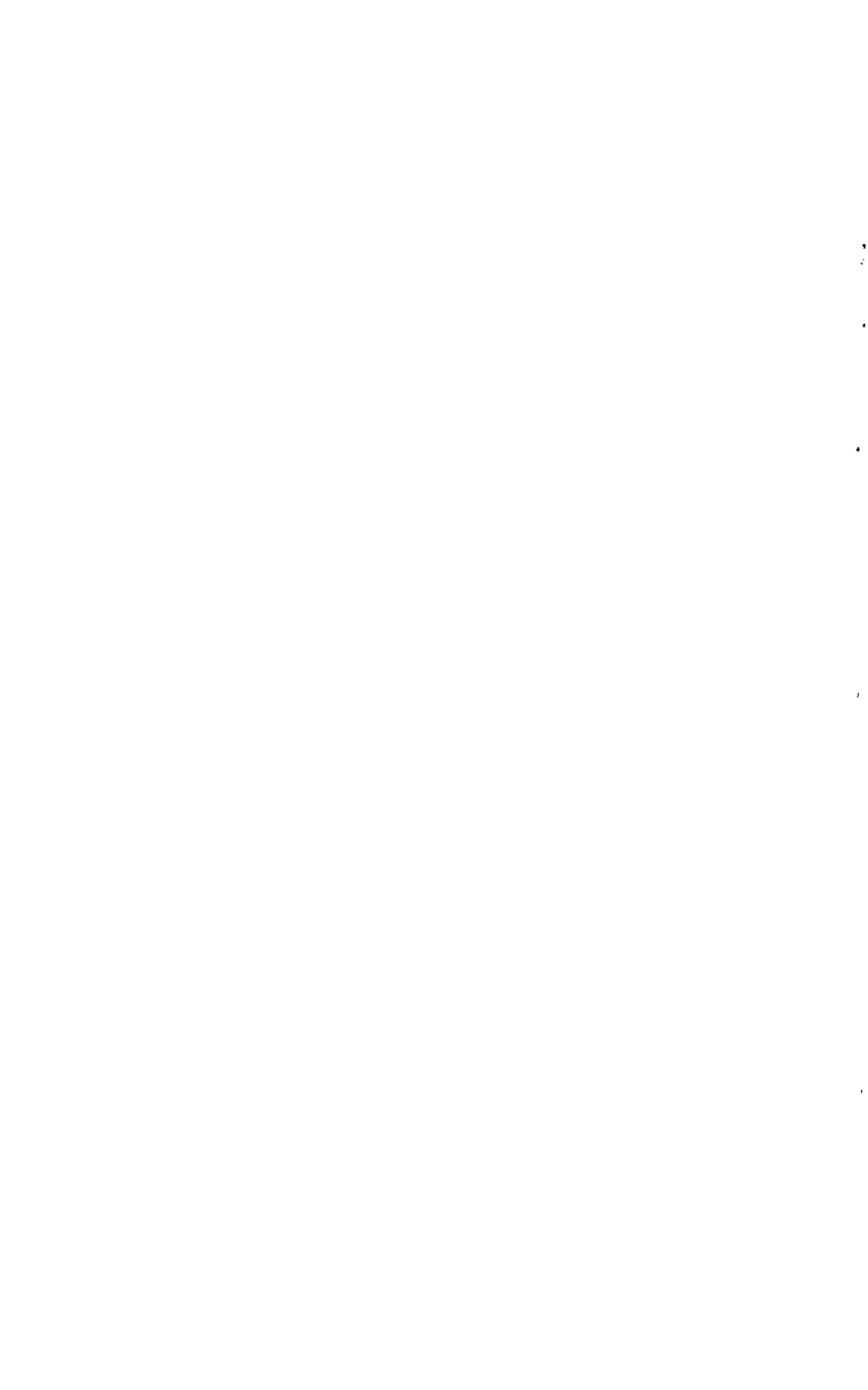


# **EUROPEAN PARLIAMENT**

**GENERAL DIRECTORATE OF PARLIAMENTARY DOCUMENTATION  
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## **MONTHLY BULLETIN OF EUROPEAN DOCUMENTATION**



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P a r t I

DEVELOPMENT OF EUROPEAN INTEGRATION





## I. GENERAL PROBLEMS

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### 1. The Pope and the unification of Europe

On 8 October the Pope gave an audience to the Members of the ECSC High Authority. He stressed the value of the Community's contribution to world peace. The Community was "a living testimony to the new Europe that is growing up under our eyes, not without hesitation and difficulties of course, but which through original creations, new bodies and renewed legal structures is endeavouring to find itself and to forge a new future."

"The future to which are turned the fervent hopes of all men of goodwill is a future of peace. And this peace, as we said when we returned from our visit to the United Nations, can be established in the world if each one within himself and around himself works for peace and justice. To the extent to which, gentlemen, your common efforts tend to enhance the value of the work of each for the benefit of all, and to place the resources at your disposal at the service of the community of peoples, you are making an irreplaceable contribution to the construction of that peace which is never a complete edifice, since it constantly calls for adjustments of its parts, in accordance with the continual exigencies of truth, justice, charity and freedom, so firmly evoked by John XXIII."

The Pope lastly exhorted the Members of the High Authority to persevere in this peaceful undertaking which "eloquently illustrates what men can do when they unite together with each other and for each other, renouncing to be one above the other and one against the other in the hope that this will serve the common good of Europe and of the world." (Il Popolo, 9 October 1965).

### 2. Bonn and the EEC crisis

On 29 September 1965 Mr. Karl-Günther von Hase, Secretary of State, speaking on behalf of the Federal Government, welcomed a resolution of the Consultative Assembly of the Council of Europe in which a greater measure of economic co-operation was called for. The idea of a revision of the Treaty of Rome, the speaker added, would only be accepted by the Bonn Government insofar as this had the assent of the other partners.

On 1 October 1965, Federal Chancellor Erhard received Professor Walter Hallstein, President of the EEC Commission, and

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Mr. François Seydoux, French Ambassador to the Federal Republic of Germany, for political talks on the EEC crisis. Later, Mr. von Hase, Secretary of State, informed the press that the Federal Government was ready to make its contribution to solving the present difficulties for any hiatus in the work of the Community might jeopardize what had been achieved already. On this occasion he pointed out that the difficulties had to be resolved by recourse to the existing Treaties for there was no occasion to amend them. The Federal Government advocated bilateral and multilateral discussions and would avail itself of all the opportunities under the Franco-German Treaty. Mr. von Hase said that the Federal Government endorsed the proposal made by Mr. Spaak, Belgian Foreign Minister, that a session of the Council of Ministers should be held in November. The object of such a meeting of Foreign Ministers - which would not be attended by the EEC Commission - would be to discuss the interpretation of the Treaty. No problem would be discussed that came within the purview of the EEC Commission, such as that of financing agriculture. The six partners would be present in their capacity as signatory powers to the Treaty. The Federal Government would on no account make any move to exclude the Commission from the negotiations, he said.

On the occasion of the forming of the new Administration in Bonn, Federal Chancellor Erhard outlined his programme to the liaison Committee of the Coalition parties. The central theme of his statement on foreign policy was the preparations for a NATO reform and the resolution of the EEC crisis. He felt that agreement on financing the common agricultural market would be a great step forward. In view of the attitude of the French President, talks had to be held on political co-operation between the Governments. He stressed that the difficulties in the Common Market were not the exclusive concern of France and Germany; what was involved was a problem for the Six which could not be solved through bilateral negotiations between France and Germany. A distinction had therefore to be made between Franco-German relations and those between the six Governments of the Community whose Heads of State or Government should, he felt, soon meet.

On 7 October 1965, Mr. Lahr, Secretary of State, went to Brussels at the invitation of the Belgian Government to determine the Belgian attitude towards the EEC crisis. He spoke with Mr. Fayat, Deputy Foreign Minister responsible for European questions, and it was stated in the German communiqué that a wide measure of agreement had been achieved. Mr. Fayat was said to have informed Mr. Lahr that Mr. Spaak, Belgian Foreign Minister, held fast by the Treaty of Rome and had set limits on the concessions he was ready to make to General de Gaulle.

On 23 October, Secretary of State Von Hase pointed out once again to the press that the EEC Treaty could only be modified with the agreement of all six partners, and at present it seemed unlikely this would be forthcoming. The Federal Government had no proposals of its own to make for amending the Treaty and would not be submitting any such proposals in future, for it feared that if the EEC Treaty were amended, the political and economic aims bound up with the creation of the Common Market could not be achieved.

In a Government statement of 10 November 1965, Federal Chancellor Erhard explained to the German Bundestag, with reference to the European policy, that: "the Federal Government has adopted a policy of European solidarity in preference to a policy of national egotism. We shall continue along this course. This has similarly been the reason underlying my efforts so far to find a platform for political talks between the Six at the highest level. Our objective must remain not to restrict European unification to the EEC States but to bring within this integration the whole of free Europe. We therefore hope that this unification will include other countries. It is natural here to think first of the United Kingdom but we should think also of the Scandinavian countries as well as of all those who wanted a Europe of free and equal States.

The grand design of European unification is and remains the aim of our policy. The idea and the belief of a united Europe has been at the root of our political resolve and of our hopes. The old and traditional European order is no longer commensurate with the spirit and the requirements of our century. Nothing further can be done by recourse to alliances, treaties and individual discussions in the old manner. A new united and great Europe must be achieved. It must be consonant with the history, culture and civilization of its peoples which are on a par with those of the United States and the Soviet Union. Europe must be made at political, economic and military levels.

The policy of European unification which began with economic co-operation, is going through a crisis. We are bound to accept that the feeling of belonging together of the European peoples does not yet appear to be translatable into a political reality. None the less, German policy should and must direct its efforts towards the unity of Europe. Our objective remains unchanged.

We must above all do everything to preserve and safeguard what the three European Communities have already achieved. We should not be too dogmatic but remain alert to the danger that would threaten the work that has progressed so far if the basis of the Treaties agreed to and finalized were called into question.

We are prepared to continue to contribute to the political unification of Europe. We expect that progress will continue in all the important sectors of the Common Market: this particularly involves a balanced economic development of the Communities in all spheres. This aim calls for long and difficult negotiations to achieve a reconciliation of the interests of the European peoples." (Frankfurter Allgemeine Zeitung, 6.10.1965; 8.10.1965; 25.10.1965; 11.11.1965; Neue Zürcher Zeitung, 3.10.1965; Industriekurier, 2.10.1965; Die Welt, 2.10.1965).

### 3. Resolution of the Congress of the European Movement

At the close of the Extraordinary Congress of the European Movement held in Cannes from 2-3 October, several resolutions were passed.

The first resolution concerned strengthening the Communities: "Experience has proved the effectiveness of the Community institutions which have allowed for faster progress than was anticipated; it has shown that a market in the process of unification ushers in an unprecedented economic expansion; it has also shown that without political unity, the countries of Europe are in no position to exert a decisive influence on the fortunes of the world or on consolidating peace.

Everything that has been built up is threatened with destruction and the hopes of building a political Europe on the corner-stone of the Communities are liable to be dashed.

One member Government refuses, notwithstanding the Treaty, to take part in the sessions of the Council and is liable to paralyze the Community institutions; this threat should induce those Governments that proclaim their intention to stand by their European commitments, without at the same time being above reproach in their actions, not only to combat the reappearance of nationalism at home but to establish a united front to safeguard the Community, without attempting to seek a compromise on the basic issues, for this would be as dangerous as it would be illusory."

The European Movement, meeting in Extraordinary Congress, passed a resolution in which it stated that: "there is neither salvation nor guarantee for the future for Europe unless both the spirit and the letter of the Treaties are respected. To abandon the dialogue between the Council and Commission, the guarantor of the general interests of the Community and of the Member States, or to prorogue the right of veto after the end of

the period set by the EEC Treaty would be an ill-omened renunciation, liable to hold up the essential establishment of a common economic and social policy."

The Movement urged the Governments:

- a) At once to resume the regular meetings of the Council whose function is to pass all decisions, concerning budgets in particular, that the Treaty both requires and allows, even in the absence of one Member State;
- b) At once to proceed on the Council to the study of the latest EEC Commission proposals, in order, as soon as possible, to reach a decision on the financial regulation and on the questions appertaining to agricultural policy still outstanding;
- c) To ensure, in the appointment of members to the Executive, that the guarantees as to independence required by the Treaty, are provided.

It affirmed its conviction that this crisis will be resolved through the irresistible pressure of the forces at work and its determination to quicken the integration process and the democratization of the institutions until the creation of the United States of Europe.

In a second resolution, the European Movement dealt with the widening of the Europe of the Six: "The European Movement

1. Reaffirms its objective, which is to promote the creation of a Europe that is economically and politically united, embracing all the free nations of this continent and able to take its place as the partner of the United States in a relationship of interdependence on an equal footing and to contribute towards the economic and social expansion of the developing countries;
2. Stresses that in order successfully to face up to competition from the rest of the world, Europe should concentrate and rationalize the whole range of the resources of all its peoples and that for this reason it is essential to widen the European Economic Community;
3. Therefore calls upon the Governments of the EEC Member States to endeavour to reach an early agreement on the admission to the Community of other democratic countries of Europe that are willing and able to assume the obligations laid down by the Treaty of Rome.

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4. At the same time invites the Governments of the EFTA Member States to recognize that the economic division of Western Europe will not come to an end until they join the EEC and to base their policy on the firm conviction that in the fullness of time they will become members or associates of the EEC and at once to begin, as an act of faith, to adjust their economic systems to that of the Community.
5. Emphasizes that in order to exert an effective influence in the world, the nations of Europe must be able to speak with one voice on matters of defence and external relations and that they should begin to take the first step towards political integration.
6. Is convinced that the European Political Union, although it is too early to decide in detail the ultimate shape it will assume, should be based on an enlarged European Community.
7. Greeted all peoples of Europe who, because of their political régimes, are at present cut off from the mainstream of European thought and action and looks forward to the day when they may participate in full in the work of uniting Europe." (Nice-Matin, 4 October 1965).

#### 4. Mr. Fanfani reaffirms Italy's duty to Europe

Mr. Fanfani, Italian Minister for Foreign Affairs and President in Office of the EEC Council of Ministers, reaffirmed Italy's obligation to resolve the present crisis in the EEC in a letter dated 11 October sent in reply to a document transmitted to him by Mr. Viglianesi, Secretary-General of the Italian Union of Workers. He adopted an open stand in favour of European integration and assured the Government of the absolute loyalty of democratic workers in all the Community institutions and in every phase of the integration process.

Mr. Fanfani wrote: "The Italian Government, aware of the special responsibilities attaching to this difficult stage in the current term of presidency of the EEC Council of Ministers, intends to continue to look for a solution to the crisis, according to a line of conduct based on a calm and firm intention to leave no avenue unexplored which might lead to resolving the disagreement among the Six but also on a conscious determination to allow no prejudice to the fundamental principles which have endowed the European undertaking with its own validity and originality."

In his letter, Mr. Fanfani also clarified the position of the Italian Government on the controversial issue of the election of the European Parliament by direct universal suffrage. "You will certainly have noted that the Government has repeatedly declared in various official statements that it is openly in favour of an early achievement of such a development, with regard to the Community Assembly, in accordance with a principle it has always stood for among the Six, namely the desirability of making the European edifice more democratic."

The Foreign Minister therefore expressed to Senator Viglianesi his conviction that the duty of the responsible circles, which was to try and overcome the present difficulties, would find valuable encouragement in the support and the loyalty of the representatives of the working classes. (Il Popolo, 16 October 1965).

5. Reaction of the German industrial federations to the EEC crisis

Since France broke off the negotiations on the financing of agriculture on 30 June 1965, and in view of General de Gaulle's unyielding attitude at his press conference of 9 September 1965, there have been a large number of opinions voiced and positions adopted concerning the future of the Common Market. In German and international business circles, in particular, the EEC crisis has been the subject of a great deal of discussion.

The most important reactions were as follows:

Even before General de Gaulle's press conference, Mr. Fritz Berg, President of the Federation of German Industries, addressing the Wuppertal Chamber of Industry and Commerce, stood out in favour of developing the EEC from a customs union into an economic union. In detail, what Mr. Berg said was as follows: "The results of removing frontiers are self-evident. A glance at the figures shows what a powerful impetus to trade has stemmed from the Common Market of the six countries. This gives added point to our liberal attitude to foreign investment. We naturally expect in exchange that German enterprises abroad will not encounter any legal or practical obstacle in the way of their freedom of establishment or development. Similarly, politicians can on no account overlook the fact that the closest possible international co-operation at the economic level is one of the postulates of a healthy trade situation."

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The international monetary crisis, to which many theorists, with an increasing addiction to exaggeration, are referring, has not materialized. But we shall have to deal with monetary questions before very long.

While we follow events in this field with attention, another significant series of factors presents us with an immediate task viz: the transformation of the European Economic Community from a customs union into an economic union. Here the understanding between the French and the Germans is highly relevant. But this does not imply any form of isolation on their part, either from the other EEC States or from our friends outside its periphery. German industrial spheres believe that the EEC must be a community that is open to the world. They have never failed to provide concrete evidence of this. Unfortunately, the course of events gives rise to increasing concern that the difficulties in the field of supra-national co-operation are not resolving themselves. Indeed as the US plenipotentiary in Geneva at the Kennedy Round negotiations has made clear, the United States will reduce or withdraw completely its offer to cut duties, both in the agricultural and in the industrial spheres, unless the other participants make similar offers. ... We must exert every effort to ensure that differences within the EEC on this point do not lead to prejudice to the whole system of the western alliance for this could have implications at the international political level. Just now unfaltering co-operation with our heavy industry in friendly countries is highly relevant here. An identity of views between leading scientists is one of the main conditions of future progress."

On 1 October 1965, the Federation of German Industries (BDI) issued a comprehensive, ten-point statement on the EEC crisis, on the occasion of a meeting of its Executive. This read:

- "1. Like the industries of the other Member States, German industry has a substantial interest in the EEC and in its further development.
2. It is of decisive importance to producers that the Common Market should be achieved on a permanent basis and that the stages of its further development should be clearly set because they are dependent, in working out their policy, on firm and reliable market data. Without this sure basis, it is indeed to be feared that if economic integration, a long-term growth and adjustment process, is exposed to the threat of constant political interference, this may in the long term mean that the EEC will bring with it more disadvantages than advantages for the enterprises.



3. The Federation advocates an early transformation of the EEC from a customs union into an economic union, on the basis of the EEC Treaty; without this a common market having the characteristics of an internal market would be inconceivable. To preserve what has already been achieved, there needs to be a wide measure of agreement and identity of interests between the Member States in every sphere of economic policy. This applies not only to agricultural policy but also to the spheres of: trade, taxation, money, transport, energy, structures and short-term economic planning. It is true of each of these fields that solutions will only come through compromises and through the integration of national policies in a common formulation of economic policy objectives.
4. For industry, the early removal of all the competitive distortions still obtaining within the EEC is a matter of urgency. This particularly applies to competitive anomalies of fiscal origin. The common industrial market must not lag behind the common agricultural market. Particular importance attaches here to the abolition of fiscal frontiers, to early progress being made with the common trade policy and to a solution being found to the problems which arise from the intended merger both of the Executives and of the Treaties.
5. The increasing measure of industrial co-operation within the Common Market is already proving a strong link in the integration chain. It should therefore be promoted with vigour.
6. The Federation does not attach any over-riding importance to the majority voting issue at this stage in the integration process. The same is true of greater supervisory powers for the European Parliament. However desirable it might be to give an additional fillip to the independent political development of the Community, the Federation does not regard this as a prerequisite to furthering economic integration, especially since the differences of opinion on the ultimate political shape of integration appear at present to be irreconcilable. It is however all the more necessary for the Council of Ministers to reach agreement as soon as possible on the objectives for the various spheres of economic policy. This also involves agreement on the obligations that the Member States are to assume.
7. The EEC Commission, in permanent touch with the Member States, has proved its worth as a legal adviser in the integration of Europe. Its neutral status and its right of initiative should not be impaired.

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8. The Brussels interim proposals of 22 July are a compromise acceptable to all the partners and should therefore be endorsed. Above all they avoid giving the impression that the will of one partner is being imposed on the others.
9. The early restoration of the EEC's complete ability to negotiate is above all necessary from the point of view of a successful conclusion to the Kennedy Round. The failure of these negotiations would have serious implications in terms of economic co-operation and world trade because it would bring with it the danger of a world-wide relapse into protectionism.
10. The Federation emphasizes again the great significance it attaches to the preservation and development in depth of its traditional trade relations. It therefore firmly supports every effort, to achieve an early closing of the customs gulf running across free Europe, bearing in mind the natural production and structural conditions. The steadfast aim of integration is the organic joint growth of all the economies of Europe, bearing in mind especially the ever-increasing economic obligations towards the world at large."

Mr. Fritz Berg, President of the Federation of German Industries, speaking in Cologne as a member of the Executive of the International Chamber of Commerce on the occasion of the 40th anniversary of the foundation of the German group, stressed that the EEC crisis could no longer be solved by economic measures but only through political action. In his opinion the politicians could agree that vital issues in the EEC should not, in the near future - as laid down in the Rome Treaties - be resolved by majority decisions. If one only considered the USA and the success of the Kennedy Round, it was absolutely vital that a way out of the present crisis be found. The USA would probably remain patient until mid-1966, after which retaliatory measures might be expected from her. The main fear of German industry in this connexion was anti-dumping legislation.

Dr. Ernst Schneider, President of the German Commerce and Industry Congress (D.I.H.T.) dealt with the Common Market crisis in an address to the German-Swiss Chamber of Commerce on 7 September 1965. Referring to the future development of the EEC, Dr. Schneider spoke of the "delicate and at present still unclear problem." He added:

"I should like to suggest that every effort should be concentrated on bringing France back to the negotiating table... In actual fact, only the two extremes, the Communists and the out-and-out Gaullists, ... are canvassing for the disruption of

the Community. The vast majority is not thus inclined, whether from political or from economic considerations. I do not think that the Government of General de Gaulle will take it upon itself to make an open breach of the Treaty. If France's relations with the USA and the UK went awry, this would bring upon France a disastrous political isolation, and she would not find a feasible alternative either in the East European or in the neutral countries.

I began by referring to the impossible situation that would ensue for Germany if France withdrew from the Community; this also implies that it is primarily up to Germany to win France over to co-operating further in the EEC. Finally we have a Treaty that provides for bilateral consultations and I could think of no better opportunity than this for putting it to advantage...

We shall probably have to demonstrate great patience and we shall surely have to avoid many Treaty pitfalls. I know that certain supra-national features of the EEC have met with strong criticism and that discussions have at times assumed the dimensions of a clash on fundamentals. I will not conceal that in the present situation doubts arise in my mind too as to whether enough time has passed, whether certain of the political aims of the Community can yet be regarded as sufficiently apposite.

Perhaps we shall have to work out a new scale of priorities and deadlines. That there is an alternative solution to the problem is borne out by the judicious compromise proposals made on 26 July 1965 by the EEC Commission to the EEC Council and to the French Government on the financing of agriculture. These proposals contain no reference either to independent revenues for the Community or to increased powers for the Strasbourg Assembly...

This is also unpleasantly in evidence with reference to the Kennedy Round. As long as France pursues her "empty chair policy" the EEC will not be able to meet the 16 September deadline for the submission of agricultural proposals in Geneva. A conclusion to the Kennedy Round without France is naturally inconceivable. Similarly, any hiatus in the Kennedy Round would mean a serious waste of time for all concerned and this would not exactly help towards attaining a successful conclusion to the negotiations. Furthermore, the American President's authority in this context expires on 1 July 1967 and it will certainly not be renewed.

German economy, in view of its substantial world-economic ties, has a clear interest in the success of the Kennedy Round..."

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The External Trade and Integration Committee of the German Trade and Industry Congress dealt at length with the problem of the Common Market on the occasion of its annual general meeting in Karlsruhe on 20 October 1965. The political unification of Europe would not come through institutions; Germany and the other EEC States must resume talks with France after the presidential election. An attempt had to be made to work out a compromise consistent with the desire for a greater independence of Europe from the USA and the need for closer co-operation with the USA. This and the search for a common approach to resolving the present European crisis were the leitmotiv of the Karlsruhe meeting of the DIHT.

A resolution passed at the meeting stated that the breaking off of negotiations on the EEC Council and the "empty chair" policy pursued by France had brought about a crisis in which the very existence of the Community was thrown into the balance. As a result, certain business arrangements and investment plans in the Common Market had been jeopardized and even called into question.

The DIHT committee put forward several proposals for resolving the present crisis. The first point made was that any attempt at a solution that did not involve France's participation was categorically to be rejected, for, indeed, the EEC had to be safeguarded and a bridge had to be built between the EEC and EFTA. In the opinion of the DIHT, the EEC Commission proposal, which was that the settlement of the crisis should be taken up where the negotiations broke off - with reference to the financing of agriculture - should be fully supported. It was, however, to be noted that the financing of agriculture should also be carried through for the benefit of all the other Member States, insofar as the outstanding market regulations were concerned; one of the main difficulties in this respect was the uncertainty as to the amounts to be borne by the national exchequers.

With regard to institutional questions, Mr. Münchmeyer, Vice-President of the DIHT, stated that any revision of the Rome Treaties was not, under any circumstances, to be accepted. There was still the possibility of reaching a compromise on the procedure for taking decisions and the right of initiative of the Commission; the External Affairs and Integration Committee of the DIHT stated there was nothing against an "interpretation of the Rome Treaties in the form of a gentleman's agreement which would rule out the possibility of majority decisions being imposed on a Member State in respect of vital issues." On the other hand, every effort directed at curtailing the power of initiative of the EEC Commission must be decisively resisted, because it had so far proved to be the driving force behind economic integration. To go part of the way to meet France, the possibility existed,

however, for the Commission and Council of Ministers of the Member States to concentrate on consolidating economic integration and put off their endeavours towards political unification.

The Committee pointed out that it would not be acceptable to the German economy to complete the customs and agricultural unions without, at the same time, completing the economic union, since this would involve an ever-increasing distortion of competitive conditions. The Committee trusted that the Federal Republic would refrain from entering into bilateral arrangements with France relating to the EEC Treaty or the financing of agriculture. Only the EEC Council of Ministers was competent in this province.

In a personal statement of position, Mr. Münchmeyer opined that agreement was possible on the institutional issues and on the financing of agriculture. In the political sphere, all the EEC partners had to arrive at a common political concept. He warned European politicians against the delusion that after General de Gaulle left the political stage it would be easier to solve European problems because the French, under the President, had developed a keen sense of national awareness. The partners of France would do better to make clear to General de Gaulle that it was in fact his attitude that stood in the way of the attainment of his own objective - making Europe an equal partner of the USA.

The key industrial federations of France and Germany advocated the deployment of all resources to resolve the crisis of the Common Market at an early date. In a communiqué, issued at the close of the Franco-German industrial discussions in Petersberg (26.10.65), both delegations emphasized the intention of their respective industries to contribute to overcoming the EEC crisis with all the means at their disposal. As stated further in their resolution, the delegations of the Federation of German Industries and the Federation of French Industries were agreed, under their chairmen Fritz Berg and Georges Villiers to uphold the EEC on the basis of the Rome Treaties under all circumstances for their significant feature was economic integration.

The International Federation of Wholesale Traders, at its extraordinary general meeting under the chairmanship of Mr. Fritz Dietz came out against any revision of the EEC Treaty, through a weakening of the bodies representing the Community interests. The Federation passed a resolution calling upon the six Governments to resume negotiations as soon as possible and, in particular, to meet the deadlines with regard to the common agricultural policy, the customs union and the trade and short-term economic policies. The resolution went on as follows: "The progress of production and trade in industry and agriculture and

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the increasing prestige of the Community vis-à-vis its partners and, indeed, in the East European countries are clear proof of the soundness of the aim to achieve a Common Market. It would be disastrous for the economy, which had reckoned with a long-range development in the EEC in its investments and planning, to be faced with absolute uncertainty as to the further progress of integration. The Central Bank Council of the European League for Economic Co-operation - the President of the German Section is Mr. Hermann J. Abs - expressed its deep concern at the present difficulties in the path of European unification policy. It advocated the full application of the Rome Treaty. "This undertaking will be doomed to failure if the Community integration process were discontinued."

Mr. Rehwinkel, President of the German Farmers Federation, stated at the Annual General Meeting of the Fodder Industry Federation (29.9.1965) that a revision of the Rome Treaties was both essential and urgent. Mr. Rehwinkel felt that the prerogatives of the Commission and of the Council of Ministers and of the national Governments and Parliaments had to be reconsidered and clarified. He shared the view of General de Gaulle that the powers of the Commission were too far-reaching while those of the Council of Ministers were inadequate. "What the Council of Ministers particularly lacks is the power to take any legislative initiative," said Mr. Rehwinkel. He also came out against majority decisions which at this early stage of development of the EEC were not really appropriate. "This is something General de Gaulle would justifiably not allow to occur; we, too, must oppose it." He believed that there was no other way out of the crisis. "This dilemma has not come about as a result of a failure to make concessions on the part of France's five partners, but as a result of the pressure and intransigence of the Commission for which Mr. Pisani and General de Gaulle himself were responsible." Mr. Rehwinkel called upon his audience to evince a greater national self-awareness. The farmers had, on the other hand, to safeguard themselves if the French President attempted to make the return of France to the negotiating table dependent on further agricultural concessions. All the concessions made so far had not furthered harmonization one iota. Even the sacrifice of reducing cereal prices had not led to progress.

The President of the German Farmers Union was the only chairman of a federation in Germany to endorse the views of General de Gaulle in opposition to the Brussels Commission. While De Gaulle wanted a strong and sovereign France because it was inconceivable to him that France should be induced by the EEC Commission and the five other Member States to do anything that conflicted with her interests, and in particular her political position, Mr. Rehwinkel, on the other hand, believed that his Federation could increase its political influence in Brussels through the Federal Government, although this would not be

possible if the majority voting principle were applied. Mr. Rehwinkel opposed the majority voting principle in order to avert greater agricultural concessions to France and the other partner countries.

The Executive Committee of the Free Trades Unions of the six EEC countries decided at a meeting under the chairmanship of Mr. Ludwig Rosenberg "that the Free Trades Unions should exert every effort to preserve the supranational powers vested in Community bodies and to ensure that the terms of the Treaty were applied. The Free Trades Unions were firmly decided to exert every effort to take joint action against every attempt to return to the obsolete system of bilateral or multilateral intergovernmental talks through the devious method of weakening these bodies."

In a statement issued in Brussels, the Executive of the Standing Conference of Chambers of Industry and Commerce in the EEC under the chairmanship of Mr. Alwin Münchmeyer called upon the Governments of the Member States to make every effort to implement the Common Market through the decisions already taken and to preclude compromising the options for improving the structures of trade and industry in the interests of greater international competitiveness. It was agreed in the six countries of the Community that production should be geared to greater markets than the national ones. The Standing Conference of Chambers of Commerce and Industry in the EEC, which was founded in 1958, intended to step up co-operation. (DIHT-Informationen für Presse und Rundfunk, No. 32/65, 7.9.1965; Europäische Gemeinschaft, 10.10.1965, p. 2; Frankfurter Allgemeine Zeitung, 30.9.1965, 20.10.1965, 21.10.1965, 25.10.1965; Industriekurier, 2.10.1965, 9.10.1965, 21.10.1965, 29.10.1965; Handelsblatt, 14.10.1965; Die Welt, 2.10.1965, 20.10.1965, 25.10.1965; 27.10.1965).

#### 6. Italian reactions to General de Gaulle's Press Conference

Italian reactions to General de Gaulle's 12th Press Conference were numerous and representatives from economic and social circles in particular took advantage of opportunities afforded by the many congresses held in Italy during this period to express their point of view on the attitude taken by the French Government. The following organizations, furthermore, issued official statements condemning the Gaullist policy and calling upon the six Member States to resolve the present crisis in the Community as soon as possible.

##### 1) The Italian Workers' Union (Unione Italiana Lavoratori)

The National Secretariat of the I.W.U. examined with deep concern the situation arising in the EEC following the statements by the French President and the effects that his statements had had on the general public in the six States. The communiqué read:

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"The objections put forward by French Government representatives - so obviously a pretext - concerning the agricultural controversy, which could certainly still be resolved if there were an effort of good will on both sides, and which is assumed to underlie a general deadlock with regard to the Treaties, demonstrate, in the opinion of the I.W.U. National Secretariat, a definite intention to check the whole Community process.

It clearly emerged from a careful examination of the facts that:

- a) The action of the French Government is, in fact, designed to call into account the whole supranationality of the Treaties of Rome insofar as any be embodied in them. The violent and unjustified attack on the EEC Commission, the request that the qualified majority clause should not be applied and the persistent refusal to endow the European Parliament with wider powers are the most overt signs of this attitude.
- b) The theory that France sacrificed some of her interests in the Community is baseless; indeed, it is the opposite that is true, especially in the controversial field of agriculture. It is worth remembering that the main proposals instituting a large part of the Community and the Community institutions were French, as was the proposal that the Common Market should not simply be a customs union but a full-scale, organized and integrated economic system.
- c) Obligations between States remains one of the fundamental premises of civilized life and of democratic co-existence between peoples. Since it is clearly the desire of the French Government to amend treaties freely subscribed to and, as an alternative, to "freeze" their implementation, the I.W.U. Secretariat calls upon the Italian Government to support, together with the other Community partners, the case for the intangibility of the treaties themselves and the case for their being implemented, even in the untoward event of the French representatives being absent from the bodies responsible for their implementation.
- d) With reference to the deliberations on a majority basis, scheduled to come into force in the third stage, it is to be noted that these will not yet obtain for basic issues of a political nature, but only for technical and economic problems already laid down and sanctioned by the Treaties - further proof that the French Government is opposed even to this minimum of supranationality for which provision was made in the Treaties themselves.



e) European workers who have given their unstinting support to the making of this Community can therefore not accept this sudden "about turn" in the political course taken by the French Government. The I.W.U. Secretariat considers that the struggle of European workers should continue on its course for the fulfilment of the Treaties and in particular to achieve the election by direct universal suffrage of the European Parliament, the only guarantee of the will of the peoples and of political control against any technocratic degeneration of the Community. The mobilization of all the active currents in Europe, the common struggle of the unions of democratic parties to create a community of the peoples directed towards social progress and freedom, the action against under-development and poverty, constitute in the opinion of the I.W.U. Secretariat, the immutable objectives of Italy, which in any event should, without delay, examine every initiative directed at counteracting any possible set-back in the Community process in order that this process does not remain without any alternative."

ii) The Italian Section of the Council of European Local Authorities

The Executive Committee of the Italian branch of the Council of European Local Authorities, meeting in Rome after the 12th Press Conference of President de Gaulle, examined the range and the consequences of the EEC crisis. Its communiqué read: "The EEC crisis is due to the deliberate intention of the General to provoke an incident to stop the inevitable movement towards supranationality and it is instructive to note that, even after two wars, the Treaties can still be regarded among Europeans as 'chiffons de papier'; but not a little of the responsibility must be ascribed to the inconsistencies, contradictions, reticence, slowness and negligence of the Parliaments and the Governments of the other States associated with France in the European Community.

This crisis is undoubtedly a very serious incident but it is of the sort liable to recur in any constructive undertaking directed at changing the course of history; for such is the making of the United States of Europe."

After bitterly criticizing the attitude of the French Government "the Council of European Local Authorities and its Italian Section, calls upon associates, all the partisans of federalism, citizens and all those in government to continue without respite - and without the frequent inconsistencies of the recent past - until success is achieved in the struggle for the United States of Europe to which there is no alternative apart from the empty and stale French proposals."

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### iii) The Italian Confederation of Workers' Unions

"The Executive Committee of the I.C.W.U. meeting in Rome on 15 October 1965, examined the formal, practical and political conditions which had caused the serious European crisis; it considers that it was first of all essential that at the meetings of the EEC Council of Ministers, the EEC Commission should be present as always, and it is opposed to the creation of harmful precedents by departing from the normal procedure for fear - and this was not groundless - of reducing the status and curtailing the practical action of a body decisive in the making of Europe.

The I.C.W.U. Executive Committee considers that:

- a) the political arguments adopted by the French Government bear little relation to the actual course of the discussion on the Council of Ministers on 30 June and are also in conflict with the fulfilment of the Treaties to which the French Government had in its time made a decisive contribution;
- b) the spirit and the letter of the Treaties of Rome are the immutable basis for the pursual of the objectives which the European peoples have freely accepted. There is no political reason to justify their contraction; on the other hand the stages of progress in the process of economic integration require their completion and their culmination at the political level;
- c) the five Governments have always made it clear that they share the aims and the instruments of the Treaties of Rome and they must endeavour to find a joint strategy to preclude further concessions to the wishes of a single Government.

The C.I.W.U. Executive Committee endorses the positions adopted unanimously by the Executive of the European Trade Union Secretariat at its extraordinary session on the problems of the European crisis, which was held on 30 September, and endorses the obligation there assumed by all the democratic unions of the Six to follow up the decisions taken by exerting pressure, adopting positions and holding meetings.

The Executive Committee further notes with satisfaction that economic and social forces in France and wide sections of the French population support the other forces in Europe and it stresses the significance of the unanimous support given in the vote taken by the economic and social forces represented on the EEC Economic and Social Committee to support the statements made on 30 September to that Committee by President Hallstein.

The Executive Committee of the C.I.W.U., convinced that the crisis involves the people of Europe at large, considers that the efforts directed at counteracting the preponderance of a single Government should find concrete expression at the European level. To this end the Executive Committee gives a mandate to the Secretariat to urge the Monnet Committee, which groups together the political and social forces which want to make Europe to take every appropriate initiative to overcome the crisis and give a new impetus to the making of Europe." (La Voce Republican, 15/16 September 1965; C.I.W.U. Press Release, 15 October 1965).

7. Leaders of the Christian Democrat Parties of the Six discuss the Community crisis

At the close of a conference of Chairmen and General Secretaries of the Christian Democrat Parties in the Member States held in Brussels on 12 October 1965, Mr. Mariano Rumor, Chairman of the European Union of Christian Democrats, made the following statement:

"We have had a very frank and cordial exchange of views with our colleagues. The object of our talks was of course the present state of the Community and its prospects. We represent a political force with important responsibilities at Government level in each of the Community countries. European Christian democracy will consolidate and co-ordinate its action to achieve the economic and political integration towards which Mr. Schuman, Mr. de Gasperi and Mr. Adenauer have worked with tenacity. At today's meeting we recognized that the Community was at present going through a difficult phase. We endeavoured to draw out a course to follow with a view to ensuring that the present hiatus does not lead to a deadlock. This course naturally involves the unchangeable nature of the Treaties of Rome and Paris and aims at pursuing the work of the Community by seeking a rational agreement between the five countries with a view to bringing France back to the Community's talks. We shall defend this course and we shall do our utmost to promote it in all the responsible bodies by recourse to methods of gradualism and caution, eschewing provocation but acting with realism, decision and courage. Our efforts will have the support of several million European citizens. European Christian democracy is ready to interpret their political resolve by endeavouring to find the premises for a great revival of the Community and supranational idea."

8. The opening of the European-Action campaign for 1965

The "Europa-Union" (German branch of the European Movement) organized a "European-Action campaign" from 20 to 31 October 1965, in collaboration with the Belgian, Dutch, Luxembourg and Swiss branches. The purpose of this campaign was, as the "Industrie-kurier" put it, "to fan the smouldering embers of the European idea once again into a bright flame."

Opening the campaign in Bad Godesberg on 20 October, Dr. Lübke, Federal German President, who had extended his patronage to the undertaking, said that "it was particularly important to the future development of Europe that the Franco-German Treaty should be actively put into effect by Germany." The slogan of the European drive was "Act today for the Europe of tomorrow" but this carried with it a warning that all that was neglected today might perhaps be irreparable tomorrow. Dr. Lübke added "our concern for Europe gives us every reason to speak in this manner."

The campaign was supported by the German parliamentary parties and many other organizations. The President of the German branch of the "Europa-Union", Friedrich Carl Baron von Oppenheim, described the campaign as a "European drive".

Opening the campaign in the Cologne Town Hall, Professor Müller-Armack urged that "a German concept of European policy should be thought out in terms of a Pan-European solution." Discussing the crises that had occurred in Europe to date, he described the French "empty chair" policy, which had been ascribed to a conflict over the financing of agriculture, as being in reality none other than an attempt to bring the European idea to a dead end.

Opening the campaign in Düsseldorf, Mr. Meyers, Minister for North Rhine-Westphalia, did not conceal his disappointment at the stagnation of European policy, which to quote Metternich rather freely "was becoming atrophied in the sterile atmosphere of rampant nationalism." The hope that economic integration would automatically lead to European political union had not been fulfilled. Europe should not reconcile itself to any regression. Mr. Meyers took advantage of this opportunity to submit the proposal for a European capital to be created on the Dutch, Belgian and German borders, on a territory which would not belong to any national State.

At talks held in this connexion between German and Dutch journalists, it emerged quite clearly that the Dutch representatives were more inclined than the German ones to ascribe the responsibility for the stagnation of European policy to the French President. The Dutch journalists expressed their concern at the possibility of German nationalism springing up again. As for the German journalists, they called for a compromise with General de Gaulle's European theories, although they were unable to say what precise form such a compromise might take.

In connexion with the European-Action campaign, the "Deutsche Gewerkschaftsbund" (German Trade Union Federation) issued a statement in which it said that Europe was, as a result of France's attitude, regressing to nationalistic ideas. "Without a common policy and joint responsibility in economic and social matters there was no possibility of a single State being created in Europe between the large power blocs in the West and in the East. An appeal was therefore addressed to the EEC Member Governments to stand by the spirit and the provisions of the European Treaties and to pursue the task of building an integrated, free and democratic Europe." (Kölner Stadt-Anzeiger, 23/24.10.1965; Industriekurier, 23.10.1965; Die Welt, 21.10.1965).

9. Resolution passed by the European League for Economic Co-operation

The Central Council of the ELEC held a meeting in Brussels at the end of October when it examined the problems arising from the Common Market crisis. In a resolution, the Nation Council "expressed its deep concern at the worsening of the European political atmosphere and at the paralysis which, failing any decisions by the Council, is seriously threatening the operation, and therefore the very existence, of the European Economic Community.

In the first place, the ELEC reaffirms that the spirit and letter of the Treaty of Rome must be applied in full.

The work undertaken, which brings benefits to every class of society, is liable to end in failure if the Community integration process is arrested; for this will preclude the indispensable establishment of a common economic policy and make it more difficult to take the important decisions scheduled for the end of this year." Industrial expansion and hence the social progress of Europe would, as a result, be seriously jeopardized. The ELEC was here articulating the concern felt in business circles, which had for nearly a decade organized their production in terms of a

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clearly defined European market; they had, from the outset, made their act of faith in the Common Market. It also articulated the anxiety of farming circles which were deeply attached to the idea of a common policy, which would develop on lines parallel to the integration of the market for industrial products and which alone was likely to solve the problems they now had to face.

Consequently, the ELEC was convinced that the implementation of the Treaty of Rome presented no difficulties that could not be solved by Community methods under the Treaty and by the firm resolve of the Governments; it trusted that the Common Market would soon be working normally again and strongly urged a resumption of the essential "dialogue" between the Commission and the Council of Ministers; it would welcome any move to prepare the ground for a solution to the crisis that was consistent with the Community rules and the provisions of the Treaty of Rome. (Le Soir, 22 October 1965).

### 10. The EEC employers' organizations and the Common Market crisis

In a communiqué issued on 7 October, the Union of EEC Industries in the European Community (UNICE) called for an early solution to the EEC crisis. The representatives of the employers' organizations "strongly urge that talks be held at the appropriate levels to create conditions conducive to solving the Common Market crisis in a Community spirit. They call for the work of implementing the Treaty to be continued and trust that the Executive institutions - the Council and the Commission - will resume their normal operations, to guarantee the continuing and balanced development of the Community.

The UNICE wishes to confirm its deep attachment to the pursuit of European integration undertaken on the basis of the Treaty of Rome; industry will never accept that the prospect of increased prosperity through an enlarged market may be jeopardized by political incidents that are liable to recur.

The industrial federations wish to stress that, in their view, the achievement of the economic union must go hand in hand with that of the customs union and in respect particularly of: the implementation of common policies for trade, agriculture, transport and energy; the co-ordination of short-term economic, monetary and budgetary policies; the complete elimination of competitive distortions through the harmonizations of legal and fiscal systems.

These aims can be attained only if there are concessions on both sides. The UNICE emphasizes that the GATT negotiations, and the negotiations with several third countries are contingent upon the crisis being resolved." (Le Monde, 9 October 1965).

11. The position adopted by the Rhine-Moselle European Federalist Forum with regard to the European crisis

The Rhine-Moselle European Federalist Forum held its Annual General Meeting in Karlsruhe on 24 October 1965. The following resolution was passed unanimously:

"The delegations of the European Movement from Luxembourg, Eastern France, South West Germany and Northern Switzerland:

- resolving themselves in a Rhine-Moselle European Federalist Forum;
- meeting in Karlsruhe on 24 October 1965 for their Annual General Meeting, have discussed the state of progress towards European unification. With regard to the present crisis in the European Community, they believe:

That the principle of European integration, whose sheet-anchor is the EEC, has led to the economic and social expansion of Europe and also provided, in political terms, a guarantee for peace and freedom. The differences of opinion that have arisen so far on the nature and structure of the Community may have serious implications for its future economic growth and hence for the position of Europe in the world. The inevitable consequence would be a fatal reappearance of a nationalism we believed was dead. Every hope of the European unification extending beyond the Six would be placed in jeopardy for a long time to come.

The delegates call upon the Governments, Parliaments and people of the six countries to hold fast by the basic principles of the three European Communities and to exert every effort to ensure the further development of the Community of the Six. Whilst recognizing the need to reach an agreement, they feel, however, that the basic principles of the Treaties should in no way be impaired. In particular

- the institutional powers of the EEC Commission must be maintained;

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- the principle of majority decisions on the Council of Ministers, laid down by the Treaty, must be adhered to;
- in pursuing the process of European integration, it must be ensured that the democratic control of the Commission is carried out by a European Parliament endowed with real powers.

The delegates of the Rhine-Moselle European Federalist Forum look to the five Governments who at present are pursuing the work of the Communities to make every effort to bring France back to the negotiating table and remain true to the principles that alone have made possible the success of the EEC to date. In order not to disappoint the hopes of the European peoples, the five partners of France must make known their determination to carry on their task, if necessary on their own and until France is once again ready to co-operate constructively."

## 12. Unity in the defence of Europe

In an article on this subject in the review "Forces nouvelles", Mr. Alain Poher wrote inter alia: "It is for the Five to make up a united front and to defend together the Europe whose beginnings have been so auspicious. Even if France stands back, the Five must continue to respect the Treaties even if they have to wait before going ahead and in particular before ratifying the merger of the Executives which, after all, is not under the present circumstances a matter of such urgency. Even if France stands back, the Five must, as soon as possible, set the common agricultural policy in motion by initiating new negotiations, should this prove necessary, on the basis of the recent memorandum of the Hallstein Commission.

It is remaining united, whatever European design we may happen to favour, that we shall be able to put the case for the integration policy option. Only as a European Community will we be able, at some future stage, to talk with the United States of America on an equal footing and make sure that our continent continues to play a useful part in the dangerous world of future decades. Faced with our unity and our determination, the President of the French Republic will perhaps ultimately understand that the only way of making the European Europe, about which he has spoken to us so often, is to continue the work so auspiciously initiated and not to destroy it because it began without him." (Forces nouvelles, 7 October 1965).



13. The Socialist Members of the French National Assembly and the European policy of the President of the Republic

At the close of a meeting held in the National Assembly on 5 October, the Socialist Parliamentary Group issued a communiqué stating that it had been looking into the agricultural implications of General de Gaulle's European policy.

One of De Gaulle's aims was to lower the status of the Executive Commission of the Common Market which he described as "a technocratic areopagus, that was expatriate and answerable to no one." On the one hand it was to the Commission that French agriculture was indebted for the progress made in the Common Market; on the other, the existence of a Commission endowed with the powers laid down in the Treaty of Rome was essential to the proper running of the Economic Community.

The Socialist Parliamentary Group made a solemn appeal to the general public and more particularly to the farmers, to stress the seriousness of the situation created by General de Gaulle. The French people had to realize that there was a real contradiction between the promises of the Government to bring the common agricultural market into being and its attitude towards the Council of Ministers of the European Community.

Only the demise of the Gaullist regime would make it possible to achieve the aim of making Europe. (Le Monde, 7 October 1965)

14. A new Italy for the united Europe

A Conference organized by the Ente Palazzo della civiltà e del lavoro was held in Rome on 21 and 22 October. The theme of the Conference, a topical one, was "A new Italy for the united Europe"; those taking part included the President of the Italian Republic and many leading Government figures and Italian political personalities.

Speaking at the Conference, Mr. Colonna di Paliano, a Member of the EEC Commission, reaffirmed the common political resolve that had given birth to the European legal order. In signing the Treaties that founded the Communities, the speaker stated, the intention had been to unify their economic and social policies,

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in which the customs union was only one stage. The idea of a large unified market had since become inseparable from that of approximating the economic and social policies of all, not only for the Six but also for other countries of Europe.

Referring to the present difficulties, Mr. Colonna di Paliano said that historians would probably describe the present crisis in the Common Market as a momentary set-back in an otherwise irreversible development. "We, however, who are at once the advocates and beneficiaries of this development towards a solidarity between neighbouring and similar peoples - a form of solidarity that is increasingly stable, profound, complete and well-developed - should recognize that human progress is something that has constantly to be re-won, that nothing can be regarded as final and that the present is always contingent on the future. Consequently even if the present difficulties do not provide any real incentive to do so, it is necessary, everywhere within the vast compass of the Community, to re-think and re-analyze what the unity of Europe means, what are the bases on which this objective is founded, on what conditions it has so far been possible to translate it into practical terms, what inferences can be drawn from the experience we have lived through, in pursuing our joint action until we attain to our ultimate objective."

Mr. Pella, former President of the Council, referring to the political, social and economic foundations of European union, said that the Italian Government could have a leading rôle to play in getting European integration under way again. "We must demand that the European Parliament, whose modest function today is a consultative one, be given greater powers, especially as regards passing the Community budgets: the power to reject or approve a budget is the fundamental expression of the powers of the Parliament."

With reference to the problem of communists' being included in the Italian Parliamentary Delegation to the Strasbourg Assembly, Mr. Pella said that he was convinced that the inclusion of Communist members would not overthrow the policy of the European Parliament or of the Communities, that it was required to supervise, but this would, today, constitute a dangerous political factor in Italy's dealings with the other countries, which had argued of late, possibly wrongly, that Italy was sliding down the slope towards Communism. The problem, however, remained under discussion, especially since, as all the Member States hoped, the European Parliament would one day be elected by direct universal suffrage.

Professor Petrilli, President of the IRI and President of the Italian Council of the European Movement, discussed economic integration and social approximation. He analyzed the historical factors that had combined together to create "mixed economies" in the Member States from which he deduced that widening markets - an imperative need in view of technological and organizational progress - made it essential that obstacles to the free movement of individuals, commodities, services and capital should be removed and, at the same time, this should be accompanied by gradual co-ordination of the economic and social policies pursued by the Member States. The European Communities were provided with the right institutional instrument for dealing with these twin imperatives. The economic problems of the Member States had therefore to be seen against the wider background of the resources and needs of the Community.

Professor Petrilli then said that not only was there a contradiction in terms between the creation of a "concentrated economy" at the national level and the pursuit of economic integration at the Community level; but, more to the point, the latter, precisely because of its own basic characteristics, called for a co-ordinated attempt to rationalize the conditions of production. It was, however, essential to remember that an obligation of this kind could only be successfully fulfilled within the framework of existing Community institutions; any attempt to revert to the obsolete patterns of intergovernmental co-operation of the traditional mould was definitely to be rejected.

Mr. Gaetano Martino, a Member of the European Parliament, referred to the 10th anniversary of the Messina Conference which got Europe going again economically; he felt it was impossible in the long run to keep the Common Market going without an adequate political structure. He therefore described as dangerous the move by Mr. Spaak to organize a meeting of the Council of Ministers of the six countries without the EEC Commission, because this was a manifest violation of the Treaty of Rome. The five countries had rather to achieve a united front in their dealings with France and to assign to France the complete responsibility for the present crisis.

Mr. Martino stressed that the burden and the honour of this imperative fell to the Italian Government, which currently held the presidency of the EEC Council of Ministers. He then paid tribute to Italian industrialists who had accepted the risks of large-scale economic competition and he concluded by hoping that a European patriotism, based on national patriotism, without the two becoming mutually exclusive, would come into being.

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Dr. De Micheli, former President of "Confindustria", discussed private enterprise and planning at the European level; he said that the approximation of the economic policies of the Member States provided the essential wherewithal for achieving the institutional objectives of the European Community.

Dr. De Micheli added that it was not enough to create a Common Market; this had to attain to a high level of economic development, so that it could face up to competition from large markets such as those of the United States and Russia.

The efforts so far directed towards creating an economic community could not be dissociated from the firm intention to create a political community; the political structure of Europe had to be such that it guaranteed a valid and effective manifestation of democratic involvement in the framing of a Community economic programme. For Europe to continue the work it had undertaken was a matter of urgent necessity. If this process were arrested, the results so far achieved would be jeopardized because not only would this put a brake on the strictly economic impetus of the Europe of the Six but it would also hold up the social progress so closely dependent on it. (24 Ore, 22 and 23 October 1965).

### 15. Congress of European journalists in Sicily

European journalists, meeting in Palermo and Messina from 8 to 10 October, provided a further contribution towards solving the current European crisis. The Association of European journalists is a body comprising EEC journalists who join it of their own free will; it intends to take practical action to bring the European idea home to a wider public in order (a) to achieve political union in fact, (b) to overcome clashes and differences and (c) to give the Europe of tomorrow a democratic content. These aims and ideals were strongly reaffirmed in a debate rich in arguments which demonstrated the unanimous support for European political union.

Taking part in the Congress were leading European press, radio and TV representatives and a large group of political personalities, representing the Italian Government and the various institutions of the Community.

Mr. Salizzoni, Under-Secretary to the President of the Council of Ministers, expressing the hope of the Italian Government that the event would be a success, stated that the rôle of

the journalist in the making of Europe was a fundamental one for if Europe could not be made without the support of the peoples, it was beyond dispute that to a large extent the support of the people was the work of the press and other modern communication media.

"We are well aware", the Minister stated, "that European unity can be pursued along different policy lines and that the way to achieve it may be open to discussion; but what is important is that all those who believe in Europe and who have in their hands the powerful instrument of public information should weld themselves together to an increasing extent as a working body, so that the general public whom they are addressing, is morally and politically uplifted and made worthy of the civilization in which we live."

Among the many who took the floor and who, by and large, stressed with a wealth of arguments the need for more lively and vigorous action on the part of France's five partners to obtain that France respected the Treaties of Rome and their full implementation, Senator Battaglia, Vice-President of the European Parliament, made a speech worthy of special mention. He pointed out that European unification was going through one of its most difficult crises, which was due to a disagreement on fundamentals as to how the Treaties should be interpreted. In order to overcome this crisis, Mr. Battaglia said, it was not a matter of making Europe without France but rather of overruling France's objections - in her own interests.

The Congress held its last sitting in Messina to celebrate the 10th anniversary of "the re-launching of Europe". The main address was delivered by Dr. Gaetano Martino, former Foreign Minister and former President of the European Parliament, who was the promoter of the Messina meeting of 1955.

To recall the Messina Conference, said Dr. Martino, was to recall the names of those who initiated the unification process in progress. The Economic Community was to have been the instrument for the complete integration of the six countries of Little Europe, not only economically, but also politically. However, very little political progress had been made, especially in comparison with economic progress. This was the cause of the recurrent crises that the unification process had undergone.

In this connexion Mr. Martino pointed out that there could be no talk of a repudiation of the supranational principle by the French Government since that Government had also asked, in order that the common agricultural policy might be adopted, for obviously

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supranational action to be taken, to wit, the passing of financial regulations. The supranationality that the French Government did not wish to accept was that laid down in the Treaties of Rome, with the formal modification in the rules regarding the powers of the European Parliament. It was erroneous to suppose that the French Government's hand could be forced on this point, but this did not justify their sabotaging the activity of the Community.

Mr. Martino went on to examine the Spaak proposal and he pointed out that this was equivocal in form and liable to be highly dangerous if it did in fact lead to an amendment of the existing treaties. The structure of the Treaties of Rome was the guarantee that the political ends of the economic construction would not be bettered; these should therefore be left untouched. On the contrary, Mr. Martino concluded, it was necessary to demand the full implementation of the Treaties of Rome without asking for more than they prescribed, but similarly without repudiating any of their provisions.

At the close of the Congress a resolution was unanimously approved in which the European journalists expressed their awareness of the serious dangers that would result for the Community if the present crisis were to go on, and deplored the egotism or the anachronistic nationalism too often underlying the policy of States belonging to the Community. (Il Popolo, 9 and 11 October 1965).

## II. ECONOMIC POLICY AND ECONOMIC SECTORS

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### 1. The French Economic and Social Council and the future of the EEC

In his General Report on the Vth Plan which he submitted to the Economic and Social Council, Mr. Chardonnet began by analyzing the general uncertainty surrounding the Plan. The first point he tackled was the future of the EEC in relation to the French economy. He recalled that the Vth Plan in its draft form was based on the assumption that the Common Market would ultimately succeed; he noted that the breakdown which occurred in Brussels on 30 June had not therefore been taken into account by those who drew up the Plan. France's withdrawal from the Common Market could not be envisaged because of the very serious risks that it would involve: French exports to the EEC countries would be dutiable under the common external tariff; a new series of bilateral trading agreements would have to be concluded and this would be difficult because of GATT; the two-fifths of French exports, at present marketed in the EEC would be threatened; and if EFTA were associated with the EEC the proportion would be more than 50 per cent.

As things were at present, the Rapporteur went on, France's non-participation at meetings of the EEC Council of Ministers and of Government experts, held to further the implementation of the Treaty of Rome, had meant - significantly enough - that the setting in motion of the common agricultural policy was being delayed. If this were to continue and if the Treaty of Rome were to be revised, this would, in view of the indefinite delays caused by fresh negotiations, have an even more alarming effect on French agriculture and on the French economy as a whole.

Mr. Lemaire-Audoire submitted the report of the agricultural section of the Council in which he set out clearly the implications of further delay:

- a) the implementation of the agricultural regulations already passed would, because of the prerogatives of the Council of Ministers in this sphere, be paralyzed;
- b) the decisions and regulations scheduled for 1965 would either not be carried through or carried through behind schedule; the decisions and regulations in question were the financial regulation; the regulations on sugar, fats, fruit and vegetables, dairy products other than butter and certain cheeses; the setting of single prices for 1967 for beef and veal, milk, sugar, rice and fats; the decisions concerning the balance to be restored between cereal and meat production; the non-renewal of the agreement concerning countervailing charges on farm produce used in the food industry.

## Economic policy

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Thus the common agricultural market planned for 1967 was jeopardized. If the EEC crisis continued indefinitely, this would have an even more adverse effect on the French economy as a whole.

The following would be the inevitable consequences for agriculture:

From the trading standpoint, France, which had already increased her sales of agricultural products to the EEC by 420 per cent between 1958 and 1964, could reasonably expect, as a result of the speed-up of the common agricultural policy, an expansion in its sales of agricultural products to her EEC partners: on the other hand, if the present state of affairs continued, this could only jeopardize the agricultural exports, which would be liable to level off. France was therefore liable to have to look for markets in third countries (at prices less favourable than those quoted in the EEC) for substantial agricultural surpluses. For trade in agricultural products with third countries, furthermore, it was impossible for the EEC Commission to negotiate on behalf of France and this was jeopardizing the GATT negotiations (e.g. the negotiations on cereals had already been held up).

As regards agricultural production policy, the aims of the Vth Plan, which involved promoting beef production in particular, were liable to remain out of reach if single Community prices were not set for beef and milk, especially in view of the fact that the trend since 1962 had been towards a reduction in the lead of beef cattle. Lack of any precise data made it hard to calculate exactly what the effect on per capita farm incomes would be and it was hard to calculate what compensation measures the State might have to take; on the other hand the uncertainty about how long the present crisis was going to last and about how it would be resolved had a psychological effect; to say the least, it prompted reservations about the future of the Common Market which were liable to have a "lasting effect on the conduct and the initiative of the individuals concerned."

The Rapporteur felt that the prevailing uncertainty also involved serious consequences for all the other branches of the French economy; if the present crisis continued for any length of time further repercussions would follow.

Uncertainty costs money, whatever the ultimate outcome, because for some years now business policy had been worked out in terms of the prospects that the Common Market held out; some business concerns felt that in the present state of EEC affairs they had to defer or suspend working schedules; others - possibly a large number - were now trying to insure against the risk that



the Common Market's final shape would be less complete than anticipated. There was surely a risk that this trend would become more pronounced at the psychological level and that doubts would arise which would, in future, make it more difficult for the Common Market to progress.

If the present state of affairs continued for any length of time, this would affect French business concerns in three ways: the pace of competition would not be stepped up until later; the harmonization of the conditions of the economy would be delayed; and it would be difficult, if not impossible, for the Community to bring to a conclusion its negotiations with third countries, as a result of which French industry would find it hard to plan ahead. The first and last of these points called for further explanation.

If the present state of affairs continued until after 1 January 1966, the EEC would not be able to go forward as planned to the third stage of the transitional period; if customs tariffs remained unchanged, so too would business competition from the other EEC States, thus removing the incentive to make the kind of adjustment that was not only essential in itself but which also constituted one of the key objectives of the Vth Plan; hence the leeway in this sphere would be aggravated.

Similarly it was very much in the interests of French industry for the conditions of economic life to be harmonized in the Europe of the Six. If this harmonization continued to be either obstructed or unduly delayed, this would mean, inter alia: no approximation of laws (no European company or patent laws); no common policy directed at approximating the constituent components in cost prices; no freedom of establishment for business concerns selling services; less keen competition in these sectors, whose quotations had a direct bearing on industrial costs as a whole.

The load thrown back onto the budget would be a heavy one. France's surplus derived from EAGGF (European Agricultural Guidance and Guarantee Fund) payments. Since 1962-1963, these had steadily been increasing; it was estimated they would stand at \$60.5m. in 1964-65 and, if the system remained in operation, that they would steadily increase, possibly exceeding \$250m. in 1967. If the EEC remained paralyzed and, hence, if no community funds were forthcoming for the common agricultural policy, this would increase the burdens to be borne by the budget. In addition, there would be the cost of exporting farm surpluses; this would mainly involve cereals - production of which had increased in 1965 - and which had been marked up in price.

Mr. Garand submitted the report of the section for technical co-operation and for the economic and social development of countries other than France; this made a further point that the EEC crisis might jeopardize the Yaounde Convention of Association between the African and Malagasy States and the EEC which was due to expire in 1969. The Convention, however, made provision for substantial financial assistance - \$800m. for the five years from 1964-69 - which was intended to replace certain forms of aid previously given by the former colonial powers. If there were any threat to the flow of this aid and, furthermore, if the Yaounde Convention were not renewed in 1969, this would have adverse economic repercussions in those countries when they would probably ask for economic aid, similar to that previously given, to be made available again and this would create an additional expenditure head on the French budget.

The Rapporteur thought that one conclusion was inescapable - the present uncertainty, and to a greater extent, its continuing, was already disrupting the French economy and would do so increasingly in the future and this would invalidate the aims and advance estimates of the Fifth Plan.

The Economic and Social Committee felt that its duty, under the circumstances, was to make clear to the Government that it was impossible to draw up, analyze and vote on a Plan until this uncertainty had been removed. In doing this, it had no wish to enter a diplomatic field outside its province; it wanted, in all seriousness, to draw the Government's attention to a point it considered capital.

The Common Market could make no further headway until 1 January 1966, when the Fifth Plan was to come into operation. Since the basic assumption of the Fifth Plan no longer held - at least for the moment - it was advisable to wait until either the divergences in the EEC had been resolved or, if this policy were to undergo a radical change of emphasis, until a new policy had been drawn up. (Official Gazette, Opinions and Reports of the Economic and Social Council, 14 October 1965).

## 2. Conference on the common agricultural market held in Bologna

A Conference on the common agricultural market was held in Bologna from 8 to 9 October. It was organized by the "National Academy of Agriculture"; those taking part included a great number of students of and experts on Community problems.

Professor Levi-Sandri, Vice-President of the EEC Commission, began by pointing out that European integration needs must go forward through the agency of appropriate institutions; it could not be allowed to depend merely on co-operation between Governments. Only a tooth and nail defence of the spirit and the letter of the Treaty of Rome could get the EEC out of the present deadlock and hence pave the way for the implementation of the common agricultural policy.

Presenting the general report, he said that the Community should not be crippled by the absence of one of the Six. The various problems and the many questions, whose solution was provided for in the Treaty but which had been held up as a result of the singular decision of last July, should be resolved in a general recognition that the economic systems of the European countries were today harmoniously integrated.

Of course the prospect of carrying on for the time being without France involved certain unknown quantities, but, said Professor Levi-Sandri, it was better to put one's trust in the integration-mindedness of the Five, than to carry on as the Six under the conditions stipulated by France which would disrupt the Community irreversibly. He felt that to change the status and duties of the EEC Commission, the interpreter of Community interests and the promoter of appropriate regulations, to integrate the economies and take away the Commission's characteristics as a supranational body, would be taking a step backwards in the making of Europe.

In conclusion, therefore, he said it was essential for the other five partners to respond to the strong line taken by the French Government firmly but in a dignified manner, for quite apart from political ideas, there were economic realities which ought to deter the French Government from once again withdrawing to within the confines of France.

Professor Mario Bandini, scientific adviser to the EEC, then explained the principles of Community intervention through market regulations which, in the course of a few years, had imparted a logistic impetus to the agricultural policy of the EEC. Speaking of the present crisis in the Community, the speaker stated that all hope of a reconciliation of attitudes should not be given up provided, however, that three things were avoided: a) unduly rigid planning regulations; b) an autarchy of the Six which would preclude an opening to the United Kingdom and the African countries; c) surpluses resulting from mass production at the expense of quality products. He concluded by saying that if the common agricultural policy were fraught with imponderables it, none the less, offered reasonable hopes of improving and streamlining European

agriculture.

This view was also taken by Mr. Sabatini, Vice-Chairman of the Agricultural Committee of the European Parliament, who pointed out in particular that Italy had too long neglected to discuss in depth the common agricultural policy; he said that agriculture was regarded as the sector which had the greatest need of support. With regard to the problem of production surpluses, he said that an international fund should be set up to deal with them. This would both absorb the surpluses and apportion the financial burdens.

Dr. Gaetani, President of the Agricultural Confederation (Confagricoltura), confirmed the organization's firm support for European integration; he repeated what the European farmers, meeting on the Committee of Agricultural Trade Organizations (C.O.P.A.), had said recently, to wit that the Community should continue on the course it had set out on, so that agriculture should not suffer from the backlash of a reversal of the integration process due to purely political reasons.

This position had the full and deserved support of Mr. Ferrari-Agradi, Italian Minister for Agriculture, who, at the close of the Conference, pointed out that the fact could not be ignored that in contrast to the past, interested circles and the general public were today a step ahead of the action taken by Governments and they were a stimulus and encouragement to pursue a course which was not only lit up by the great ideals of civilization and progress but which stretched to the practical satisfaction of the fundamental material and human needs of the peoples.

Against this background, the Minister indicated the solutions to Italy's agricultural problems which he summarized in the following points:

- a) the full application of regulations already passed, particularly the regulation on fruit and vegetables;
- b) the need to get early approval for the regulations pending, which mainly or exclusively affected Italy, to wit, those on: fats, market interventions in respect of tobacco and fruit and vegetables. It was a question of deciding what practical steps were to be taken to regulate these sectors and to provide detailed guarantees;
- c) assurances with respect to the association with the European Community of third countries: if the Common Market were to be open only to countries in the Mediterranean Basin who were

competitors with Italian agriculture, the right to adequate counterparts should be clearly recognized.

- d) the finalization of criteria for a responsible production policy which would preclude gluts so that the Community would not be burdened with any structural surpluses that might occur;
- e) with regard to the financial regulation, it would be desirable at present, in view of the fact that certain important regulations have not yet been finalized, to avoid assuming hard and fast terms of reference for the years ahead. The financial regulation for agriculture should form part of a comprehensive appreciation of the financial relations between the various countries.

Such considerations underline the delicacy of the present situation and highlight the need for future discussions to start from a practical, constructive basis. It would not be a useful contribution if, in order to pursue the course set out on and which was at present closed, one were indiscriminately to assume burdens that were either unfair or dangerous.

Italy would do all in its power, the Minister for Agriculture concluded, to ensure that work in progress were not discontinued and that further headway would be made. But this progress had to have a firm and clear basis and any danger of equivocation and difficulty had in future to be avoided. It was not a question of working out an outline agreement whatever the cost but of appreciating in practical terms and in a responsible manner, the meaning, content and implications of all that was done. (24 Ore, 9 and 10 October 1965).



### III. EXTERNAL RELATIONS

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#### Statement by the Danish Foreign Minister Haekkerup in Germany on European policy

In an address on "EFTA and the EEC" delivered on 17 September 1965 to the Carl-Schurz Society and the Bremen Club, Mr. Haekkerup, Danish Foreign Minister, stated that he was fundamentally optimistic about the future development of the EEC and the possibility of creating a European Community that would include the EFTA countries.

"I am convinced that the common interests that bind the European countries together will ultimately prevail and that the present crisis in the EEC will be resolved." The press conference of General de Gaulle made it clear that the present Community crisis is one of the most serious since it called into question the very existence of the EEC. In 1957 France signed the Rome Treaties because she was then in a weak position and consequently ready to listen to the arguments of her partners. Mr. Haekkerup said that the basis for his optimism was that the European idea was so firmly rooted that European integration could no longer be gainsaid. The fundamental question raised in the recent past as to the form of the European Community was something that Mr. Haekkerup regarded as a positive sign. A decisive stage in the integration process had been attained, to wit, the point of no return.

Experience of integration policy to date had shown that industry and commerce had been able rapidly to adjust to new market conditions. Referring to the concern that the gulf between the EEC and EFTA might grow even deeper, the Foreign Minister stated that if business spheres in the Member countries were not able to look forward to a greater European market being created within a foreseeable future, it was to be expected that they would adjust themselves to the present situation and attempt to secure dominant positions on the various markets, which might mean that two economic groups would develop in opposition to each other. Customs discrimination, which would reach its maximum level in 1967, was in his view, together with agriculture, the most important obstacle between the EEC and EFTA. The protective tariff system of the Common Market was, in the opinion of Mr. Haekkerup, a "technical eyesore".

Mr. Karl Eggers (S.P.D.), the Bremen economist, made an appeal on the occasion of the opening of the "Bremen 65" Exhibition to all political bodies, to remedy the economic division of Western Europe. Mr. Eggers deplored the present stagnation of the EEC as much as Mr. Haekkerup. He felt that "European integration

## External relations

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only makes sense if it is based on a Paneuropean concept." Unlike Mr. Haekkerup, however, Mr. Eggers came out in favour of the accession of the EEC to EFTA - as its "eighth member". The EEC could without changing the structure established by the EEC Treaty, become a member of EFTA which, for its part, would not need to assume the characteristics of a customs union. On the previous day the Danish Foreign Minister had explained that the proposals up for discussion by the EFTA Council contained no solution involving the incorporation of the EEC in EFTA.

On 13 October 1965, Mr. Haekkerup held political talks in Bonn with Mr. Schröder, German Foreign Minister; Mr. Schröder told him that from the German standpoint there seemed to be little chance of any bridge being built between the EEC and EFTA at present. Any move to this end on the part of EFTA would probably fail as long as the EEC crisis was not resolved, the German Foreign Minister felt. (Industriekurier, 18.9.1965, 21.9.1965; Frankfurter Allgemeine Zeitung, 13.10.1965; Die Welt, 14.10.1965).



P a r t II

THE PARLIAMENTS



## I. EUROPEAN PARLIAMENT

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### a) Session of 18 to 22 October in Strasbourg

#### 1. Submission of and debate on the Eighth General Report on the activities of the European Economic Community

On 20 and 21 October 1965, the European Parliament dealt with the report on the Eighth General Report on the activities of the EEC (1). Mr. Charpentier, Rapporteur General, divided his report into seven parts:

- I. The basis of the economic union
- II. Economic and financial policy
- III. Agricultural policy
- IV. Cultural and social policy
- V. The external relations of the Community
- VI. Relations with the developing countries
- VII. The legal and political problems of the Community

Mr. Charpentier (France, Christian Democrat) spoke from the political standpoint, discussing the origins of the present crisis and outlining possible developments and decisions. His speech was an appeal in favour of European integration.

He analyzed the present situation both from the economic and the political angles. As far as European enterprises were concerned the Common Market was already a firm-established reality; if these enterprises came to doubt the continuation of the EEC, this would affect investments. Protectionism and nationalism would, furthermore, make for a further disruption of the work set in hand. Integration he felt, was axiomatic to success. There were already many fields in which common policies had been worked out but there needed to be common economic planning, an industrial and research policy and a "European" type of company, i.e. associated under European articles, had to be created.

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(1) Doc. 93, 12 October 1965.

## European Parliament

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Mr. Charpentier said that the "political Europe" was already implicit in the Rome Treaties. It had, however, to be acknowledged that, at present, the Common Market crisis called everything into question. He referred to General de Gaulle's press conference of 9 September 1965 which removed almost every doubt. He found astonishing the use of the term "foreigners" to describe the non-French members of the EEC Commission, whom he regarded as being all of the same family. The implementation of the Treaties had, as a result of the statements by General de Gaulle, been called in question. As to the "delusive myths" - the supranational powers in the European edifice - of which General de Gaulle had spoken at his press conference, Mr. Charpentier said he was convinced that "even if the official France has had enough of them, the majority of the French people stand by them."

After enumerating the issues at stake, Mr. Charpentier asked what could be done at present; for the present situation was untenable and a clear-cut situation was better than one of uncertainty. He called for a meeting at which any partner unwilling fully to implement the Rome Treaties would have to state its views and assume the responsibility for disrupting the Community. He firmly rejected any "side-tracking"; proposals for changes should only come through by the Governments and the Parliaments. The rapporteur also discussed the important rôle of the Council and of the Commission; he thanked the Executive and paid tribute to the work it had done.

In conclusion, he said that Europe was today faced with the choice between bilateralism, egotism and nationalism on the one hand and, on the other, progress, a feeling for a sense of historical developments and a mind for the future. "I choose", he said, "without stopping to consider the cynicism of nationalism, the course of federal Europe. I choose hope."

The ensuing debate was opened by Professor Hallstein. He thanked the previous speaker and at once endeavoured to clarify the attitude of the EEC Commission to the problem of financing agriculture. The Commission's July Memorandum had not been a formal proposal in the legal sense; it was an appreciation of the situation which, however, in no way disengaged the Commission from its responsibilities. He gave the details of how the Commission proposals came into being and he emphasized that it had been impossible, on 30 June, to take the initiative because the conclusion to the debate could not have been predicted. He also explained why the July Memorandum contained only a passing reference to the rôle of the Parliament. He quoted from the Memorandum:

"With regard to the budgetary powers of the Parliament, a problem that has been pending for a long time, but which, in view

of the creation of independent revenues for the Community, has once again come into the foreground, the Commission notes that the deliberations were broken off before discussions on this point were concluded and before the individual Council members had expressed their final standpoints. The Commission does not think that all possibilities to arrive at a settlement have been exhausted. For lack of such basic data, the Commission does not feel in any position to say anything further on this question. It reserves the right to do so at a later stage."

Mr. Van Campen (Netherlands, Christian Democrat) discussed the cyclical factors in financial and medium-term economic policy. He further spoke of the unfavourable effect of the present EEC crisis on the investment situation.

Mr. Kapteyn (Netherlands, Socialist) dealt solely with the Common Market crisis. He discussed the problem of the violation of the Treaties and the strengthening of the powers of the European Parliament. He went so far as to say that the French attitude in European policy was "hypocritical", to which Mr. Terrenoire replied "Let there be no talk of hypocrisy here", after which the Gaullist Group left the Debating Hall. Mr. Kapteyn spoke of the responsibility of the French Government and said that there was in fact only one problem outstanding and that was the financing of the agricultural policy. This had to be settled by the Council on the basis of the Commission's proposals. As regards all other matters the French Government had only to follow the provisions of the Rome Treaty. In conclusion, the speaker opined that the five ought to be ready, even without France, to carry on the construction of a united Europe.

Mr. de Lipkowski, spokesman for the Gaullist Group, criticized the speech made by Mr. Charpentier as being "shocking and exaggerated." He had not reviewed a report, he had been pleading a case. Mr. de Lipkowski added that the Gaullist Group had intended to abstain from voting on the resolution but after the statement by Mr. Charpentier they were inclined to vote against it. In saying that France wanted to revise the EEC Treaty, one was indulging in pure speculation. He said that General de Gaulle's press conference on the 9th September was not the cause of the present crisis. General de Gaulle had simply endeavoured, through his press conference, to raise the discussion to a higher level.

As to the underlying cause of the Brussels debacle, the speaker felt this was the problem of the financial regulation, discussed on 30 June, in connexion with which an undertaking had been given, on 15 December 1964, that had no manner of political strings attached to it. The EEC Commission had been too ambitious in its proposals which overlapped into the realm of politics.

France - and not only France - had repeatedly warned against the consequences of this attitude, but the Commission had paid no heed to these warnings. He repudiated the suggestion that France had had the deliberate intention of breaking off the negotiations; here he spoke in detail of the problem of Italy and of the French attempts to do justice to the Italian claims. The Commission had itself manoeuvred into a position in which it could no longer play its conciliatory rôle. Indeed, the further the debate went, the further one got from any conclusion. This was also borne out by the fact that Mr. Fanfani, for example, who was called upon to take the chair, said that he would close the meeting forthwith. (Another speaker explained that Mr. Fanfani had simply intended to postpone the debate for a few hours or a few days in order to guarantee its coming to a successful conclusion. However, the abrupt decision by Mr. Couve de Murville, French Foreign Minister, made the postponement unavoidable.)

Mr. de Lipkowski spoke of the erroneous idea current in Germany to the effect that Germany had made great concessions in the agricultural sector; in fact, he said, Germany had reaped great benefits from the common industrial market.

In conclusion, he spoke of three problems. The failure of the common agricultural market had shown that not all the partners were convinced that agriculture must be regarded as part of the EEC. This was a view which France could definitely not endorse.

As to the rôle of the Commission, it was an important factor in the Community. When the negotiations failed, however, it was unable to play its natural conciliatory rôle "through an excess of logic." The Commission had decided to stand by its views and it had given the impression that it wished to bring pressure to bear on the Governments. Hence France had opposed this to preclude any recurrence of such tactics. As to the majority voting rule, Mr. de Lipkowski said that none of the Six was ready to endorse decisions that conflicted with their basic interests. France, for example, was worried as to what might happen if the majority rule touched on the validity of agricultural or customs policy. (Here he quoted Article 75 of the Treaty, concerning transport.)

Mr. de Lipkowski concluded his speech with further comments on the rôle of the European Parliament, which, in the Gaullist view, had first to increase its authority through its conduct. There had been a "singular lack of clearheadedness" in its adopting an unconciliatory attitude as was borne out again in May when it endorsed the Commission's intransigent attitude. At present, the problem was no longer confined to agricultural policy because the construction of the economic Europe had to be

supplemented by that of the political Europe. Hence attention had to be focussed on the ultimate objective so that it was clear what results a common European policy should set out to achieve.

While Mr. de Lipkowski was speaking in Strasbourg, the statement made by the French Foreign Minister in the French National Assembly on the occasion of the Assembly's debate on foreign and European policy was coming through on the teleprinter and spreading like wild-fire among the Members. Mr. Pleven called for an immediate adjournment of the session in order, as he put it, "to hear a speech in which a complete revision of the Treaties was being advocated." The session was adjourned until after 9 pm.

The first speaker at the evening session was Mr. Sabatini (Italy, Christian Democrat) who came out strongly in opposition to the ideas of the Gaullist speaker. He said it was impossible to blame the EEC Commission for the present difficulties and at the same time pursue an "empty chair" policy by raising points in this House that could not be answered. If the French Members shared the views of their Government, they should propose a vote of no confidence in the Executive which would, under the circumstances, have to be fully justified. He warned his French colleague that no country that isolated itself could attain its ends in today's changing world. He referred to General de Gaulle's assertion that Europe was a cathedral that could only be built if all the countries contributed; this could not be done simply "according to the specifications of a single government."

President Hallstein in turn discussed the theories outlined by Mr. de Lipkowski, the Gaullist Member. As to the criticism that the EEC Commission, through an excess of logic, had been unable to play its part as an intermediary, he said: "Mr. de Lipkowski criticizes the Commission for its excess of logic. Frankly, I do not understand this. There is - although I do not wish to develop any theory on this point - in logic no excess. It is in the nature of logic that it either obtains or does not obtain. I should go as far as to say that one really cannot do enough if one wants to be consistent with the truth. I should like to make it clear that I am therefore unable to understand how Mr. de Lipkowski can attenuate his praise of the cartesian nature - if I may use the expression - of the Commission's proposals by adding that logic was all very well provided that - and this is something that I was unable to understand and probably never shall - the proposal based on logic leads to success. What does one make of that? Had it to be taken to mean that what was right was no longer right if it was not recognized by the majority or that something wrong became right if everybody agreed it was so?"

The Commission had submitted other proposals that were also characterized by an "excess" of logic, such as those concerning the single price for cereals. The Commission had always regarded them as logical and it had stood by them even in the face of opposition from the Governments. It now wondered why the proposals on the financial regulation had not been adopted; it was erroneous to suggest that the Commission had submitted them as an indivisible whole that had to be approved or rejected as a whole. It had explained that there was a relationship between the various parts and that the proposals were of the same nature as those put forward on other occasions and that the Commission could amend them.

Professor Hallstein said that the attempt to ascribe to the Commission the responsibility for the crisis had failed. The crisis stemmed simply from the fact that one member of the Council was, in contravention of the Treaty provisions, staying away from the Council. Even if the Commission had acted inadvisedly, this was still no reason for a Member leaving the Council chamber. The decision to remain absent was taken by one Government only. This was inadmissible because the Treaty afforded every opportunity to achieve a satisfactory solution and a retaliatory attitude appeared in no way justified.

Mr. Scelba (Italy, Christian Democrat) while criticizing obduracy, acknowledged that the agricultural issue had become, for France, a pretext. He called for a resumption of the dialogue and for the adoption of the proposals made by Mr. Spaak, Belgian Foreign Minister. He firmly rejected the idea of the European Economic Community being converted into a free trade area.

Mr. Vals (France, Socialist) described the speech by Mr. de Lipkowski as the one flat note in the debate. He took issue with the Gaullist members and stressed the unwavering line of General de Gaulle's policy, with regard to Europe. This could be traced back to General de Gaulle's remark made in 1958 (quoted as having said to Michel Debré "Quand nous serons au pouvoir, nous déchirerons les traités") to the Peyrefitte Memorandum as recently disclosed by Mr. René Mayer (De Gaulle is quoted as having said to Mr. Mayer "Maintenant il faut tout oublier, j'efface tout et je recommence!") and to the statements by Mr. Couve de Murville in the National Assembly. "They want a Europe of States," said Mr. Vals, "they are still chasing after the old dream that haunted Europe from the time of Charlemagne right down to the Congress of Vienna and we know the results of this policy."

Mr. Santero (Italy, Christian Democrat) warned against aggravating the crisis in Europe. The other EEC partners had to take the necessary decisions appropriate under the circumstances so that at least the legitimate interests of France would not remain un-



considered.

Mr. Pêtre (Belgium, Christian Democrat) disputed Mr. de Lipkowski's assertion that on 30 June Belgium and Luxembourg had shared the French attitude. "We shall ask Mr. Spaak, Belgian Foreign Minister, whether or no this is the case" he said.

Mr. Pedini (Italy, Christian Democrat), referring to recent foreign policy debates held in the Italian Parliament when Italy had come out firmly in support of the Rome Treaty undertaking, advocated a resumption of the dialogue. Italy had done its utmost to avert the crisis. He felt that events would have taken a different turn if the Conference of Venice had taken place. He further warned against any misguided anti-American nationalism on Europe's part and stressed that the fate of other States, associated with Europe, was involved.

Mr. Bersani (Italy, Christian Democrat) referred to the possibility that the present Europe of the Six might one day become the Europe of the Fourteen or Fifteen.

Mr. Pleven (France, Liberal) put three questions to the President of the EEC Commission:

1. Was it true that the pooling of agricultural levies was in the first instance proposed by the French Minister for Agriculture, supported by the Foreign Minister?
2. Was it true that this was intended to go forward hand in hand with the gradual pooling of customs dues?
3. Was it further true that such pooling was formally laid down in the Treaty itself and that the Commission might submit proposals to this effect at any time?

President Hallstein replied as follows:

1. He was unable to remember exactly whether it had been the French Foreign Minister or the French Minister for Agriculture but he knew that the French Delegation as a whole had been in favour of this.
2. The answer lay in the reasonableness of achieving a parallelism between agricultural and industrial development.

3. The answer lay in the Treaty itself. The Commission had no choice in this matter: Article 201 required the Commission "to study the conditions" under which this might be effected.

Before the vote was taken on the draft resolution as a whole, there were other speakers who took the floor: Mr. Deringer, Mr. Burgbacher and Mr. Metzger (German Members who had met in Bonn the previous day) and Mr. de Lipkowski, Mr. Poher, Mr. Sabatini, Mr. Pleven, Mr. Kapteyn and Mr. Scelba. Mr. Deringer informed Mr. de Lipkowski that German industry could also sell its products outside the Common Market but it was less than certain that the same held for the French agricultural products. Professor Burgbacher endorsed the attitude of the EEC Commission and he suggested that the present interdependence of the peoples was irreversible. Mr. Metzger (Germany, SPD) said that the crisis had been deliberately engineered and those responsible should not be surprised at the reaction of the other partners. The Treaty was a law and whoever contravened this law broke the Treaty. The Council and the Commission had to continue their work; the Council had to hold sessions and take decisions - in spite of the "empty chair" policy - for otherwise there would be a contravention of the Treaty.

Mr. Poher (France), speaking for the Christian Democrat Group, said that the essential bases of the Treaties of Rome and Paris could not be changed. Mr. Sabatini speaking for himself felt that Italy would be ready to hold discussions with France as soon as she gave up her "empty chair" policy. Mr. Pleven said that the Liberal Group was in agreement and he emphasized the responsibility of the French Government for bringing the crisis to a head. Mr. Pleven called upon his non-French colleagues not to direct their attacks against France but only against the French Government. Mr. Kapteyn, who signified the support of the Socialist Group for the adoption of the resolution, assured Mr. Pleven that no Member was indicting France but only the French Government. Mr. Scelba, speaking for the Italian Delegation, made several references back to what Mr. de Lipkowski, the Gaullist Member, had said; he assured the Parliament that the whole of Italy supported the European integration policy.

After Mr. de Lipkowski had replied in a personal statement to Mr. Pleven, developing arguments that did not find acceptance among several members, the session was interrupted. The U.N.R. Group (Gaullists) left the Parliament. Parts of the resolution read as follows:

The European Parliament,

- having taken note of the Eighth General Report on the activities of the European Economic Community (doc. 50-I/II);
- having heard the President and members of the EEC Commission;
- fears lest the imbalance caused by progress in some fields and delay in others might harm the development of the Community;
- considers that the Community's development on the whole is satisfactory, in spite of serious shortcomings for which the Commission is far from being solely responsible;
- approves, subject to the following observations and suggestions, the activities of the Commission;
- regrets the difficulties encountered by efforts to secure the total abolition of charges with effect equivalent to customs duties and measures with effect equivalent to quantitative restrictions;
- regrets the absence of any practical achievements in customs legislation, essential though these are to the establishment of a customs union;
- expresses the hope that all internal customs duties will be abolished and the common external tariff established by 1st July 1967, in accordance with the Commission's proposals;
- expresses the hope that the Commission, in the matter of competition, will quickly settle outstanding individual cases on the basis of the existing texts;
- notes with satisfaction the signing of the treaty for the amalgamation of the Executives and the Councils;
- notes with satisfaction the increasingly political implications of steps taken towards economic integration;
- regrets the interruption of negotiations for the financing of the common agricultural policy, for the building-up of the Community's own resources, and the strengthening of the powers of Parliament - an interruption which has provoked the present grave crisis;
- regrets the absence of any democratic evolution of the Community, particularly as regards the Parliament's control over the budget and a more influential parliamentary participation in Community legislation;

- regrets the total lack of co-ordination in cultural, defence and foreign policies; the declaration of Heads of State or of Government, meeting at Bonn on 18 July 1961, has had no effect in the way of political unification;
- hopes that the present crisis will soon be overcome, and to this effect solemnly appeals to the other Community institutions, to Governments and to public opinion in the six countries;
- hopes that the European idea will be given a fresh impetus which will enable the Community to launch forth with vigour into the third stage of the transitional period, and hopes that that period may be shortened in some fields, in accordance with the proposals already made;
- reaffirms its profound conviction that Member States must continue to follow the lines indicated by the Treaties, in order to achieve an economically and politically integrated Europe;
- hopes that the Community, remaining faithful to the best traditions of Europe, will increasingly accept its world-wide responsibilities in the economic, cultural, social and political spheres.

The Parliament unanimously passed the report by Mr. Charpentier and the resolution attached to it after passing unanimously an amendment to the section concerning social policy (as proposed by Mr. Sabatini and Mr. Troclet).

2. Draft regulation to offset or prevent dumping by non-Member countries

The report of the External Trade Committee (1) concerns an EEC Commission proposal to the Council for a regulation to offset or prevent dumping or export subsidization by non-Member countries.

The External Trade Committee feels that the draft regulation will cover dumping and export subsidization of every shape and form, including dumping of the "covert" type. The main emphasis of the regulation is on the procedure to be followed. The relevant criteria are based on GATT provisions; they leave room for the development of "jurisprudence" which will gradually clarify their scope. The Committee endorses this approach.

(1) Blaisse Report, doc. 92/1965-66.

The Rapporteur then went through the draft regulation, article by article, suggesting certain amendments, the main purpose of which was to make more information available to the Parliament about the regulation's application. The Committee felt it was advisable for the Community to take independent safeguard measures, because the Community as such, is not a GATT contracting party. Again, notwithstanding the GATT provisions, not all the Member States have anti-dumping laws. Nor are the anti-dumping laws of the Member States that have them identical; lastly, the GATT regulations are operative only between contracting parties. The Rapporteur further stressed that the provisions proposed should not be applied to serve protectionist ends. The proposal was devised as a means of ensuring fair-dealing in world trade. The proposed rules had on no account to be put to other uses such as, for instance, a pretext for unilateral restrictions on Community imports. Open trade relations between the Community and its partners were, moreover, vitally important to its internal growth. The proposed regulation could have no objective other than achieving an open trading system.

The Opinions submitted by the Agricultural Committee and the Internal Market Committee approved the proposed regulation as a whole and included suggestions for amendments on minor points.

After Mr. Blaisse (Christian Democrat, Netherlands) had submitted his report, Mr. Rey, a member of the EEC Commission, said he felt that the amendments suggested by the External Trade Committee improved the original text and would quite certainly be accepted by the EEC Commission. Mr. Rey discussed the place occupied by the proposed regulation in Community trade policy as a whole; he emphasized the need to empower the EEC Commission to take immediate action against dumping in urgent cases. There were several arguments in favour of adopting the regulation: the progress of the customs union required the Community to be increasingly protected; the Community must not be weakened when GATT discussions were held; the other parties to the discussion had anti-dumping regulations.

The Parliament adopted a resolution (1) under which it approved the proposed provisions, but asked the Commission to incorporate the amendments suggested in the text that it submitted to the Council. The Parliament felt that to ensure maximum legal security, it would be advisable to make provision, in a special regulation, for sanctions in the event of any refusal to grant

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(1) Resolution of 19 October 1965.

the EEC Commission any assistance that it might ask for under Article 11,2 of the draft regulation. The Parliament specifically emphasized that the proposed regulation had to be applied with a view to promoting open and fair trade relations between the Community and non-Member countries.

### 3. Activities connected with the press

On 31 July 1965, the Parliament was consulted by the EEC Council on a draft EEC Commission directive on how freedom of establishment and freedom to supply services were to be given practical effect in the case of activities connected with the press.

This draft directive concerned the following (non-wage-earning) activities: the activities of the journalist, photography for publishers, news gathering and reporting agencies, the activities of newspaper or other periodical printing and publication, and lastly the distribution of newspapers and periodicals. Any natural or legal person engaged in such activities will, when they operate in another Member State, attract the same treatment as nationals.

It further proposed that the conditions, under which access may be had to these activities, should be subject to interim provisions; co-ordinating the laws in force in the six Member States would, in fact, be rather a long job. This interim solution is intended to preclude any undue difficulty for nationals of Member States where access to activities connected with the press is not subject to any condition. The solution consists in regarding the actual, legitimate pursuit of one of these activities in another Member State as adequate evidence of professional experience.

The Internal Market Committee appointed Mr. Kreyssig Rapporteur. His report began by stressing the limited scope of the draft directive; activities connected with radio and television were not dealt with. He recalled the EEC Commission's reply on this point: that radio and television were State monopolies in most EEC countries; that the freeing of these activities had to proceed according to the general programmes for the third stage; that if all information activities were brought within the scope of a single directive, this would impinge more directly on the cultural and political fields and would only delay the freeing of the activities dealt with in the present draft directive.

The Rapporteur also examined the validity of a Member State's contention (France, in this case) that it could, on the grounds of public policy, refuse to free any activity that it did not regard as being strictly commercial. The Internal Market Committee replied that press activities were in part both commercial and competitive and that the "grounds of public policy" clause in the Treaty (Article 56,1) could only be invoked on a provisional restricted basis. Consequently, the Rapporteur felt the nationality qualification, required in France of those engaged in press activities, should be abolished. The Rapporteur noted that the EEC Commission had taken a firm stand on this point and was ready to invoke Article 169 when dealing with instances of "the failure of a Member State ... to fulfil ... its obligations under the Treaty."

With reference to the ban on Communist activities in West Germany, the Rapporteur felt that there were no grounds for regarding this as a discriminatory measure since it applied equally to nationals of all Member States.

The Rapporteur received the Opinion of the Committee for Research and Cultural Affairs on the draft directive as a whole. It was in favour of the draft because it felt that it held out new opportunities to further mutual understanding between peoples.

Mr. Kreyssig submitted his report at the plenary session on Thursday, 21 October 1965. He informed the House that the EEC Commission had, in the intervening period, re-examined the whole question of freeing activities connected with the press and that it would be preferable to defer the discussion and the vote on his report. The Parliament agreed to adjourn the matter.

#### 4. Processed agricultural products

The EEC Council of Ministers referred to the Parliament, for its Opinion, an EEC Commission proposal for a further renewal of the system applicable to processed agricultural products that came in force under the Council decision of 4 April 1962. This gave the Council a further period in which to pronounce on the new system to obtain for these products, upon which the Parliament had already been consulted. A new feature, however, was the division into two stages: from 1 November 1965 to 28 February 1966, the tax protecting the processing industry would not exceed 2.5 per cent of the price of the product; from 1 March to 30 June 1966 the tax would not exceed 1.5 per cent. This rate-lowering would be contemporary with the gradual abolition of internal customs duties.

Mr. Carboni, Chairman of the Internal Market Committee, submitted an oral report on this question at the session of 18 October 1965. He moved that the Commission draft be approved. The Parliament did so.

5. The retail trade

The Council consulted the Parliament about two draft directives on (a) implementing the freedom of establishment and the freedom to supply services in respect of non-wage-earning activities connected with the retail trade and (b) the interim measure machinery covering these activities. Under the first, national treatment would be extended to nationals of other Member States; under the second, certain interim measures would come into force to facilitate access to an exercise of these activities pending the co-ordination of laws and the reciprocal recognition of diplomas, certificates and other qualifications. It was to be noted that the activities involved included retail tobacco sales, auctioneering and the hire of goods. Trade in pharmaceutical products did not come within the scope of the two directives; nor did mobile stores.

The Internal Market Committee appointed Mr. Illerhaus Rapporteur. His report proposed that, subject to certain reservations, the Commission directives should be approved. He felt it would be advisable to require greater experience of the retail trade before permission to pursue this trade in another Member State were given. The term "director of a business", on the other hand, ought to be deemed to include departmental managers in large business concerns and the activity corresponding to one of those referred to in the draft directive, which implied either an economic or a commercial responsibility.

The Illerhaus Report was examined at the session of 22 October 1965. Mr. Colonna di Paliano, Member of the EEC Commission, stressed with reference to the retail trade, that the work of the Commission had progressed as scheduled in the general programmes. He would defend the amendments submitted by the Rapporteur of the Council if the Council also felt it had to modify the text proposed by the Commission in agreement with the national experts.

The draft resolution was passed unanimously by the Parliament without amendment. This approved the two draft directives subject to the few amendments mentioned.



6. The paramouncy of Community law over the laws of the Member States

Discussions were resumed on 22 October on the report submitted by Mr. Dehousse on behalf of the Legal Committee on the paramouncy of Community law over the laws of the Member States (document 43). In accordance with the Parliament's decision of 17 June, the Legal Committee had examined the amendments to the draft resolution on the report and drawn up a supplementary report on the subject (document 95) submitted by Mr. Weinkamm.

In his introduction to the supplementary report, Mr. Weinkamm reviewed the Committee's deliberations. These found expression in a draft resolution requesting, in particular, that Community regulations should come under a special heading in the Official Gazette of the various Member States. In this connexion, the Official Gazette of the European Communities, which contained much that was irrelevant from the point of view of the national authorities, should be improved. The Legal Committee had emphasized this point in a letter to the President of the European Parliament.

On behalf of the Socialist Group, Mr. Vermeulen (Belgium), endorsed Mr. Weinkamm's supplementary report as well as the resolution relating thereto. He hoped that the Member States would endeavour to implement the resolution. The present crisis, Mr. Vermeulen felt, enabled one to realize even better the overriding importance that a binding law could have in establishing the Community on a firm basis.

Mr. Santero (Italy, Christian Democrat), Mr. Scelba (Italy, Christian Democrat) and Mr. Poher (France, Christian Democrat) spoke in favour of the draft resolution, after which the Rapporteur again indicated that the paramouncy of Community law was a legal principle. However, the principle had to be recognized. This was the political aim of the European Parliament for it was the only way in which the Community could be given any substance.

The main virtue of the draft resolution, in the opinion of Mr. Colonna di Paliano, a member of the EEC Commission, lay in the emphasis that it put on legal security in applying the Treaties. It was, however, necessary to ensure that the publication of Community regulations in the Official Gazette of the various Member States precluded any misunderstanding as to the date when such regulations came into force; for publication in the European

Communities' Official Gazette was a determinant factor in this respect.

Mr. Scelba (Italy, Christian Democrat) felt it highly unlikely that any misunderstanding could arise on this point. Publication in national Official Gazettes served above all to make known the legality and the provisions of a law. This came into force in the individual States as soon as it was passed within the framework of the Community.

In the resolution passed by a show of hands, the Parliament stressed that its task was to ensure the proper application of the Treaties in order that their aims and, hence, the gradual development of the Communities could be fully achieved.

The Parliament was concerned at the increasing tendency on the part of certain legal authorities in the various Member States to issue rulings that were liable to jeopardize the implementation of Community regulations. It was firmly convinced, however, of the need to respect the independence of the legal powers of the Member States which was one of the pillars of democracy.

The Parliament also endorsed the conclusions appended to the Legal Committee's report (document 43) and stressed the need to recognize the principle of the paramountcy of Community law over the laws of the Member States.

Considering the insufficient recognition given to Community law, even in legal circles directly concerned, the Parliament called upon the Member Governments to publish Community regulations in their Official Gazettes, in particular regulations that were immediately binding and those that should be supplemented by implementing provisions.

In conclusion, the Parliament asked its President to arrange for the report by Mr. Dehousse (document 43) and the resolution annexed thereto to be given the widest possible dissemination among the national authorities concerned.

7. Rationalization of the Italian sulphur mines

At the parliamentary session of 18 October, Mr. Vredeling (Dutch Socialist) submitted a report on behalf of the Social Committee on the EEC Commission proposals for Community financial assistance to Italian sulphur mine-workers made redundant (1).

An interim report, the Rapporteur recalled, was submitted by the Social Committee in March 1963 on the need to rationalize the sulphur industry in Sicily; he described how the problem had evolved in recent years. He pointed out that the "Liaison Committee for action on behalf of the Italian sulphur industry" (C.L.A.I.S.I.), set up by Member-Government representatives, submitted its report to the EEC Commission and Council in November 1963. After having examined the Committee's report, the Council asked the Commission for its views on how the suggestions made in the report could be put into effect. The Italian Government endorsed the Liaison Committee's proposals and had co-operated with the regional authorities in finalizing a programme to "verticalize" the sulphur industry which would be submitted to the Commission with a view to concluding an agreement with the Community, bearing on the whole range of measures that had to be taken. The safeguard measures passed for the benefit of the Italian sulphur market would probably be renewed and the market would probably not be fully open until 1 July 1967.

Mr. Vredeling then examined the EEC Commission proposals on which the Social Committee was returning its Opinion. These proposals were in three parts:

- a) a decision to make grants to redundant workers;
- b) a regulation to bring these objectives within the scope of the Social Fund;
- c) a decision to grant scholarships to further occupational training.

The essential measures proposed by the Commission could be summed up as follows:

- 1) Workers made redundant and less than 50 years of age would be able to take occupational re-training courses; for this they would receive a daily allowance to attend the course of not less than their net income at the time when their work

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(1) Document 90/1965-66.

contract was wound up. Workers in this category would receive a tide-over allowance equal to their former net monthly income, but not exceeding 120,000 lira a month, pending their finding fresh employment. This grant would not be payable to workers while they were taking re-training courses.

- ii) Redundant workers over 50 years of age and less than 55 years of age would receive a monthly allowance of 25 per cent of the wages due under their former collective contract, plus full family allowances, payment of their health insurance contributions and payment of the voluntary upkeep of their old-age pension premiums up until the minimum retiring age.
- iii) In addition scholarships would be given under certain conditions to the children of workers over 45 years of age.
- iv) Workers leaving their employment of their own volition would receive a grant of 450,000 lira to supplement the redundancy grant.
- v) There is also provision for a grant that might be described as a compensation grant, equal to the difference between the tide-over allowance and the wages formerly earned by the worker where this is less than the amount of the tide-over allowance; this would be given for not more than twelve months.
- vi) Redundant workers finding fresh employment elsewhere would also get a resettlement allowance.

The Rapporteur warmly welcomed the Commission proposals as a whole. He recalled that the Social Committee had visited Sicily to study on the spot the social problems involved in rationalizing the sulphur industry; he had certain observations to make of both a general and specific nature on the problems submitted for opinion.

With regard to the general problems, Mr. Vredeling was most emphatic that the social measures the Executive proposed should not merely be aid measures but should form part of a comprehensive plan for regional economic development. An improvement in the basic services and the re-afforestation of certain areas ought to provide compensatory income for redundant miners for whom there was no employment in the enterprises to be set up under the "verticalization" of the sulphur industry. Production, furthermore, could only be rationalized if the Italian sulphur market were isolated. Here, the Rapporteur regretted that the EEC Commission decisions authorizing this isolation had at times been subject to delay; he asked the Executive to avoid such delays in future.

Going on to discuss the EEC Commission proposals, the Social Committee Rapporteur suggested certain amendments which would make them of greater benefit to the workers. These related mainly to the following points:

- a) the monthly allowance for workers over 50 should be set at 50 per cent rather than 25 per cent of the approved minimum wages;
- b) this allowance should be paid up until the age of 60 rather than only to 55;
- c) the granting of scholarships to the sons of miners should not be dependent on the age of the latter but only upon the scholastic merit of the children concerned.

The Social Committee further advocated that a Community grant be paid to workers who did not want to be pensioned off with a monthly allowance before their time and who, on the contrary, wanted to continue working on the public works sites to be set up by the Sicilian authorities to improve the basic services. The guaranteed wage for these workers should be not less than 75 per cent of their former wages.

Mr. Catroux, spokesman for the European Democratic Union, opened the debate which followed the submission of the report; he said that his group would not be voting. Indeed, he felt that Mr. Vredeling's report attempted to increase the responsibilities of the Common Market at a time when ever since June deep differences of opinion had been appearing about some of its basic aims. Failing any prior clarification on the key objectives of the Common Market, the E.D.U. was not satisfied that the proposals made by the Commission to the Council were in the general interest and therefore felt unable to pronounce on these proposals, either to endorse or to reject them.

The stand taken by Mr. Catroux touched off many interventions. Most of the speakers (Messrs. Scelba, Herr, Sabatini, Bersani, Battaglia, Van Hulst, Storch and Poher) pointed out that the problem under study was essentially a human rather than a political one and that the measures suggested by the Commission were not innovations but the result of undertakings given in due form by the Member States under the Treaty of Rome. It was further asked why Mr. Catroux, who had in fact given his approval to the Vredeling report on the Social Committee after 30 June, was no longer able to comment. Finally, Mr. Poher stressed that the aid and redevelopment measures today proposed on behalf of Sicilian workers might tomorrow involve the underdeveloped regions of France.

The conclusions to the Social Committee report won the approval of all speakers and in particular of Mr. Sabatini (for the Christian Democrat Group), and of Mr. Battaglia (for the Liberal Group). Mr. Battaglia trusted that the Italian Government would be able to adopt the measures advocated by Mr. Vredeling, half the cost of which it would have to pay.

Mr. Levi-Sandri, Vice-President, then spoke on behalf of the EEC Commission; he stressed that the proposals under examination were the first solution to a regional problem worked out at the Community level. He agreed that the programme to rationalize the Italian sulphur industry should form part of the general regional development plan; the main responsibility however, fell to the national regional authorities. As regards the amendments suggested by the Social Committee to the Commission proposals, Mr. Levi-Sandri personally felt that they deserved to be adopted but that he was unable to commit the EEC Commission, since the latter would have first to consult the Italian Government which would have to pay 50 per cent of the cost of implementing the proposals in question. With regard, however, to the amendment which sought to provide a monthly wage of not less than 75 per cent of that previously earned under the collective agreement for workers employed on special public works sites, Mr. Levi-Sandri felt that this went further than the undertakings given by the Member States and was therefore unlikely to be acceptable.

The Parliament then unanimously passed a resolution (1) (the E.D.U. abstaining) in which it stressed the need for the rationalization of the Italian sulphur industry to form part of a general development plan for the regions most affected by the sulphur crisis and it trusted that the Community national and regional authorities would act in close contact. The Parliament also asked the EEC Commission to call upon the Italian Government and the Sicilian regional authorities to give precise guarantees about the creation of jobs for miners that can no longer find employment in the mines. Finally, it gave its approval to the Commission's proposals, subject to the amendments advocated in Mr. Vredeling's report.

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(1) Resolution of 18 October 1965.

8. Quality wines vinted in specific regions

On 19 October the Parliament returned its Opinion on a draft Council regulation concerning quality wines vinted in specific regions; the basis for the Opinion was a report written on behalf of the Agricultural Committee by Mr. Vals (1).

The report reviewed the Commission proposals as a whole and although it expressed a favourable Opinion, it made one or two observations and suggested amendments to the draft regulation.

In particular, the report suggested that when it came to listing the quality wine producing regions, due regard should be had for the traditional production conditions so that only grape juices and wines not below a minimum standard attracted the benefits of the Community "quality wine" label. The report noted, among the particularly delicate problems arising from the draft regulation, that of oenological practices. Although in principle it endorsed the prohibition against blending and against the addition of sugar, the report agreed that in order to take into account certain national customs, these practices might be allowed where oenological or technical reasons made this imperative.

Since one of the aims of the regulations was to protect the wine-maker against unfair competition and the consumers against sharp practice, the report suggested that in each of the Member States a special department be set up which would be specially responsible for ensuring that the provisions of the draft regulations were adhered to; the report also hoped that organizations would come into being to protect the interests of quality wines vinted in specific regions.

For these reasons the Agricultural Committee suggested that the draft regulation be amended in respect of: wine-making processes, wine names, controls and safeguards.

With regard to the "quality wine" label, this should be allowed only in the case of wines that met the requirements of the regulation and of provisions adopted in pursuance of the regulation; likewise the name of a specific region should be used only for "quality wines" vinted from grapes harvested in the selfsame regions.

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(1) Document 89/1965-66.

As a concession to established practice, however, the use of the name of a specific region might be authorized in exceptional cases until 1 January 1970.

The use of a geographic name other than that of a specific region, might be authorized provided the wine concerned were vinted in the relevant region from grapes harvested in that region and provided that the name did not lead to its being confused with the name of another specific region.

With reference to controls and safeguards for wines, the report suggested an amendment asking that these controls should be carried out in each State under conditions at least approximating to those that would obtain under the international agreements ratified by each of the States prior to the publication of the regulation; the report also suggested that a new article be inserted to the effect that each Member State should set up a special department to supervise the enforcement of the terms of the regulation.

Mr. Vals then outlined the report, making particular reference to some of the problems peculiar to wine-making; the minimum alcoholic strength of quality wines, (some members of the Committee wanted this to be set at 8.5<sup>o</sup> whereas the regulation laid this down for each wine on the basis of the average alcoholic strength ascertained over a period of ten years). Mr. Herr (Luxembourg) then said the draft regulation would have the support of the Christian Democrat Group. He added that the proposal was in line with the common agricultural policy in that it was designed to protect the wine-maker against unfair competition and the consumer against sharp practice and he stressed the need for the Member States to set up an adequate supervisory service in order to guarantee that the regulation was enforced.

Mr. Sabatini (Christian Democrat, Italy) stressed the importance of the draft regulation in terms of the common agricultural policy; he drew special attention to the need for adequate controls to ensure that the regulation was enforced, and he said that Italy ought to convince the wine-makers of the expediency of their forming groups with a view to improving the quality of their production.

He concluded by asking Mr. Mansholt, Vice-President of the EEC, for information about the common organization of the market for wines and sparkling wines.



The Vice-President of the EEC Commission thanked the Agricultural Committee for approaching the study of the draft regulation in a positive way; he said that the EEC Commission had no objection to make with reference to the amendments suggested by the Agricultural Committee. This did not mean, however, that it could accept all the amendments suggested.

The speaker asked if it were in fact possible, from the legal standpoint, to bring within the scope of the regulation bilateral agreements concluded at an earlier date, especially where they went further than the regulation in question. The Member States would of course want themselves to ensure that the regulation was enforced, although the Agricultural Committee called for a special department to be set up. For this reason it was impossible to comment on such an amendment.

In reply to Mr. Sabatini, the speaker stated that both the regulation on sparkling wines and that concerning the organization of the wine market, would be submitted to the Council of Ministers in a few weeks time and that the latter would in turn be consulting the Opinion of the European Parliament.

At the close of the debate the European Parliament returned a favourable Opinion on the regulation subject to the amendments suggested in the report.

#### 9. Organisms noxious to vegetables

On 22 October the European Parliament returned its Opinion on an EEC Commission proposal for a directive concerning provisions against organisms noxious to vegetables being introduced into the Member States. The Opinion was based on a report drawn up by Mr. Bading (1) for the Agricultural Committee. The purpose of the draft directive is:

- a) to step up action, in the Member States, against noxious organisms;
- b) to take adequate protection measures against the introduction of organisms from third countries and
- c) gradually to reduce the obstacles to existing trade within the Community.

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(1) Document 87/1965-66.

Although the report returned a favourable Opinion on the directive, it pointed out that it would be more reasonable if, instead of removing import controls, a Community body were given the responsibility for plant protection, with the relevant controls, since such a Community body would be better equipped than national departments for action against noxious organisms whose spread was not limited within national frontiers but was of an ecological nature.

The report then mentioned another obstacle to any attenuation in the present control standards.

Some countries feared that if, within the Community, the standards were attenuated this might prejudice their exports to third countries which exercised particularly stringent plant-health controls.

The report concluded by asking that in addition to the provisions to increase the resistance of plants to noxious organisms provisions should also be adopted in the chemical and therapeutic action against such organisms.

The report, returning a favourable Opinion, was approved by the Parliament after Mr. Colonna di Paliano, a Member of the EEC Commission, had given an assurance that the Commission would not slacken its efforts to organize in the best way possible, the action against organisms noxious to vegetables.

#### 10. The activity of Euratom

At its session on 21 October the European Parliament discussed the report by Mr. Toubeau (Belgium, Christian Democrat) submitted on behalf of the Committee of Presidents on the Eighth General Report on Euratom's activities (1).

The report began by emphasizing that research was still the main concern of Europe even at a time when nuclear energy was on the point of becoming integrated in the economic structures, since its industrial utilization would always attract both supervision and research, conducive to perfecting reactors of the experimental type, and give the Community a keener competitive edge

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(1) Document 91/1965-66.

vis-à-vis third countries. All of which was consistent with the clearly defined task of the Community "to contribute to the raising of the standard of living in Member States and to the development of trade with other countries by creating the conditions conducive to the rapid establishment and growth of nuclear industries." These objectives would be achieved only if a common research policy were worked out and if the research programmes of the Member States were co-ordinated and formed part of a general energy policy in the Europe of the Six.

In the opinion of the Rapporteur-General, there was still cause for concern at the decision of the Council of Ministers to increase the appropriations for the second five-year programme from \$425m. to 430.5m., an increase of barely 1.13 per cent. Bearing in mind the increased staff and materials costs, an increase of at least 1.11 per cent was needed if all the aims of the second five-year programme were to be achieved. In this connexion, Mr. Toubeau stressed that irrespective of the project drawn up under the joint research programme, it would be desirable for part of the appropriations to be made available for pure research, for which no provision was or could be made in the programme. In this connexion, it was to be hoped that the principle of free research would be applied with greater frequency and that the freedom of action of research workers would not be limited. As a matter of principle it would be desirable for Euratom to be assigned long-term responsibilities which normally involved a large staff and substantial financial resources. The Rapporteur therefore again called upon the Commission to take the initiative to resolve the problem of the European University and thereby to meet its obligation under Article 9,2 of the Treaty.

With regard to supplies, Mr. Toubeau felt that it was important for the supply agency to act with the greatest haste in order to ensure that the Community had secure sources of raw materials over a long period and at satisfactory prices. In this connexion, particular stress was laid on the need for co-operation between the Communities and third countries and, in the first place, with the United States. The Rapporteur likewise noted with satisfaction the efficient operation of safety controls, instituted on the basis of Treaty provisions, for this was one of the best examples of the effectiveness of the Community method as opposed to the conventional system of international agreements.

Lastly, with reference to all those who spoke of European independence, the report recalled that if the bid to unite Europe failed, it would reduce Europe to a group of States that would be technically dependent on the present nuclear powers, impotent in the sphere of research and investment and obliged for all time to abandon the rôle that a united Europe might play vis-à-vis the world at large in the nuclear sector.

Mr. Toubeau, in submitting his report, said that he had been profoundly struck by the delusive attitude adopted by one of the Member Governments which seemed to want to call into question the whole Community structure. He noted that whereas previous annual reports on Euratom's activities had been for the most part devoted to the definition of a European nuclear energy policy, the Eighth General Report was characterized by one fundamental factor - the transition from the stage of definition to that of practical application. Indeed, technical development and the experience gained had enabled the Commission to draw up an initial indicative programme marked by reasonable optimism. Consequently, the speaker felt, Euratom should keep a jealous watch over the respect for its prerogatives and on the security and stability of supplies and direct and contain the development of nuclear establishments for the production of electricity. Mr. Toubeau concluded by stressing the need to grant more substantial funds for research and studies in the field of health protection, the handling and storing of radioactive waste in order to safeguard the health and physical integrity of the human beings on whose behalf the Community institutions exercise their powers.

Mr. Pedini (Italy), speaking for the Christian Democrat Group, drew attention to the work done by Euratom; he trusted that it would act to an ever-increasing extent as the Community legislator in nuclear matters and step up its action with regard to companies of a European character, to company mergers, to insurance against risks and to guarantees for fixed-term investments. Although he agreed that one of the main responsibilities of Euratom concerned the future of electricity supplies, he recalled that it had wider responsibilities, not all of which related to producing electricity but which extended to other sectors affecting the life of modern peoples. He concluded his speech by saying that a big gap had been left in the making of Europe; that of the European University; the failure to build it was due to the fact that Europe was still not mature enough to understand that it had also to have scientific and academic support for its ideals. "I trust that, whatever the future of the Community institutions may be, the obligation in regard to a symposium of science and culture will not be forgotten. This is necessary to attract students to one of the most fascinating problems of our time: that of utilizing nuclear energy for the consolidation of peace and the economic and social progress of the peoples."

Speaking for the Socialist Group, Mr. Merten (Germany) pointed out that Euratom too was feeling the effects of the "empty chair" policy. This meant that a great deal of what had been won would be lost. The present crisis not only called in question the very nature of the relations between the six States but also the prosperity of the people of Europe, which should follow from a wider use of nuclear energy for non-military purposes. Consequently, he did not share the optimism of the Rapporteur-General in that, firstly,

new research projects could not be initiated because of the lack of financial means and secondly in that the research in question, being limited to some "out of the way" sector, was not consistent with the growing demand for developments that were necessary above all in the industrial field. In conclusion, however, and after declaring that if France continued to "stay away" the five other Members of the Community had to be ready to prosecute the integration of Europe, Mr. Merten commended the Euratom Commission on behalf of the Socialist Group, on the work it had done. He trusted that whatever the future of the Community might be, it would forge ahead at the same pace and with the same sense of purpose.

Dr. Probst (Germany, Christian Democrat), speaking for the Political Committee, noted with satisfaction the prospects opening up for the production of nuclear energy, which would gradually change the situation of the whole of industry in the Community. Dr. Probst then listed the phases that had successfully to be completed in the framework of Euratom in order to move on from the stage of research to that of the production of nuclear energy, for on this would depend the increase in the Community's industrial potential and the competitive position of the Community. Dr. Probst drew attention to the fact that the problem of bilateral relations was still pending and stressed the need, in pursuance of Article 106 of the Treaty, for the bilateral agreements concluded by Member States with certain third countries, prior to the signature of the Treaty, to be transferred to the Community.

Mr. Santero (Italy, Christian Democrat), speaking for the Health Protection Committee, commended Euratom on the work it had done and noted with satisfaction that the Commission had succeeded in reconciling the economic interests of enterprises and workers with the health interests of the workers. In this connexion he recalled that it was not enough to make emergency plans directed at attenuating possible damage in the event of accidents; provision had also to be made for insurance against any damages resulting from such accidents. He then pointed out there was in fact a lacuna in the matter of insurance against nuclear hazards, that is, there was no provision for compensation for injuries resulting from the use of radio-isotopes; this applies not only to medicine but also to industry and agriculture. Mr. Santero therefore concluded his speech by deploring France's "empty chair" policy and called upon the five other Governments to continue along the course they had set out on, for the failure of the Community undertaking would have disastrous consequences for all the Member States.

Mr. Burgbacher (Germany, Christian Democrat) after stating that he agreed with the Rapporteur-General with regard to the main problems dealt with, made a number of observations on various

special aspects of the Community energy market and he recalled, in particular, that the Community depended on imports to the extent of 35 per cent and that in 1980 it would certainly rise to 50-60 per cent.

Professor Carelli, Vice-President of the Euratom Commission, replying briefly to the observations made by the various speakers in the debate, recalled with reference to the creation of a European University that this plan was the work of the Euratom Commission, which had done everything in its power towards its achievement. Since at present the problem depended mainly on the will of the Member Governments, Professor Carelli associated himself with the hope expressed by the Rapporteur-General that this extremely important Community aim would soon be achieved. Going on therefore to analyze the work done at the nuclear centre at Ispra, which hinged mainly on the realization of the ORGEL project, the speaker assured the Assembly that the centre had at its disposal the funds necessary for research in progress and that the Commission was looking into the possibility of including Ispra's activities in the third five-year plan.

Mr. De Groote, Mr. Margulies and Mr. Sassen, Members of the Euratom Commission, then gave further technical and administrative clarification and illustrated to the European Parliament the stages, the successes and the needs of the energy Community.

At the close of the debate, the Assembly unanimously approved the draft regulation, submitted by Mr. Toubeau, the Rapporteur-General, subject to the amendments submitted by Mr. Schuijt and Mr. Pedini, in which the hesitation and the resigned attitude of the responsible authorities with regard to the creation of a European University, were denounced and in which it was further stressed that the 1.3 per cent increase in the Second Research and Teaching Programme in practice meant that there had been a reduction in the appropriations intended for important research, for teaching and for the dissemination of information.

The European Parliament therefore stressed the need to put into application the terms of the Euratom Treaty on nuclear agreements between Member States and third countries in order to preclude the development of the Community being hampered in this sector by centrifugal trends and displacements of forces that might appear at the bilateral level; it regretted that the activity of Euratom on reactors should be concentrated only on certain types, for research should be extended to all sectors leading to rational decisions in respect of the construction of reactors on an industrial scale.

The Parliament finally reaffirmed its hope that the Community would not make any final technological choices, but aim at achieving concrete results in the various sectors and increase the funds available for research in close collaboration with the nuclear efforts undertaken in the world.

b) Work of the Committees of the European Parliament  
in October 1965

External Trade Committee (2)

Meeting of 5 October in Brussels: Report by Mr. Rey, a Member of the EEC Commission, on the state of progress of multi-lateral negotiations on the Kennedy Round and the World Trade Conference and of the bilateral negotiations between the EEC and certain third countries. Examination of a draft report by Mr. Moro on trade relations between the EEC and India.

Meeting of 19 October in Strasbourg: Examination of the position adopted by Mr. Blondelle, on behalf of the Agricultural Committee and by Mr. Breyne, on behalf of the Internal Market Committee, on a draft Council regulation to provide measures to offset the effects of dumping or export subsidization on the part of non-Member countries.

Agricultural Committee (3)

Meeting of 13 October 1965 in Brussels: Submission and examination of an EEC Commission proposal to the Council on a second directive on the approximation of the laws of the Member States on turnover taxes; this concerned the structure of the common added value taxation system and the machinery for putting it into application.

Meeting of 26 October in Brussels: Examination of a draft Opinion by Mr. Klinker to be referred to the Internal Market Committee on the proposal for a second Council directive, on approximating the laws of the Member States on turnover taxes, concerning the structure of the common added value taxation

system and the machinery for putting it into effect. First examination of a draft by Mr. Lardinois, to be referred to the Committee for Associations, concerning the recommendation on the second annual report on the activity of the EEC-Greece Association Council approved by the Joint EEC-Greece Parliamentary Committee. First examination of a draft report by Mr. Charpentier on an EEC Commission proposal to the Council on a regulation concerning measures to be taken to deal with situations liable to jeopardize the attainment of the objectives laid down in Article 39,1,c),d) and e) of the Treaty. Oral report by Mr. Briot and discussion of a directive laying down the machinery for implementing freedom of establishment and freedom to provide services in respect of non-wage-earning activities connected with forestry and on an amendment to the general programme of the Council for abolishing restrictions to the freedom of establishment.

#### Social Committee (4)

Meeting of 4 October in Brussels: At a meeting attended by the EEC Commission, the Committee studied the Eighth Report on social developments in the Community in 1964 (Rapporteur: Mr. Rohde) and the EEC Commission report on the state of progress as on 31 December 1964 in implementing Article 119 of the Treaty of Rome (Rapporteur: Mr. Berkhouwer).

Meeting of 14 October in Brussels: Adoption of the draft report by Mr. Sabatini on social security problems seen in relation to Article 118.

Resumption of the study of the Eighth Report on social developments in the Community.

Examination of a draft EEC Commission directive instituting Community grants to offset competitive distortions on the international shipbuilding market (Rapporteur for the Opinion of the Internal Market Committee: Mr. Bersani).

Meeting of 21 October in Strasbourg: Adoption of a draft Opinion by Mr. Bersani on shipbuilding.

Meeting of 27 October in Brussels: Examination of a draft report by Mr. Rohde on the Eighth Report on social developments in the Community.



Internal Market Committee (5)

Meeting of 18 October in Strasbourg: Examination at a meeting attended by the EEC Commission of a draft report on an EEC Commission proposal to the Council for a directive instituting a system of Community grants to offset competitive distortions on the international shipbuilding market.

Drafting of a report on an EEC Commission proposal to the Council for a decision to prorogue the Council decision of 4 April 1962, providing for a compensatory tax to be charged on certain commodities made from processing agricultural products.

Committee for Co-operation with Developing Countries (7)

Meeting of 21 October 1965 in Strasbourg: Report by the Chairman on the previous session of the Joint Committee of the Parliamentary Conference of the Association (Luxembourg, 29 September and 2 October 1965).

Energy Committee (9)

Meeting of 29 October in Brussels: Appointment of Mr. Toubeau as acting Chairman. Appointment of Mr. Philipp as Rapporteur for the EEC Commission document on "Natural gas in the EEC - problems and prospects". Appointment of a Member as Rapporteur on the energy policy aspects of the relevant programme (Article 40 of the Treaty), in compliance with the European Parliament resolution on the Eighth General Report of the Euratom Commission. Appointment of Mr. Blaisse as Rapporteur on the progress of work in connexion with a common European energy policy. Exchange of views with the High Authority on the progress of work in connexion with the general objectives for coal. Statement by the High Authority on the action taken by the Member States on Decision III/65. Preliminary exchange of views on a report to be submitted by the EEC Commission on its policy concerning hydrocarbons. Preliminary examination of the document on "Natural gas in the EEC - problems and prospects" attended by the EEC Commission. Preliminary examination of a Euratom programme on energy policy attended by a representative of the Commission.

Committee for Research and Cultural Affairs (10)

Exchange of views, attended by representatives of the Euratom Commission, on those parts of the draft operating budget and the draft research and investment budget of the Community for 1966 which came within the terms of reference of the Committee. Exchange of views, attended by representatives of the EEC Commission, on the relevant parts of the draft EEC budget for 1966. Exchange of views on the draft resolution, submitted by Mr. Seifriz, concerning the creation of European schools to prepare students for the universities. Appointment of Mr. Oele (Netherlands, Socialist) as Rapporteur on technological progress in scientific research in the European Community.

Health Protection Committee (11)

Meeting of 8 October in Brussels: Exchange of views with the EEC Commission on the Eighth Report on social developments in the Community in 1964 (Drafter of the Opinion: Mr. Angioy). Joint examination with the EEC Commission of two draft directives aiming at aligning laws on classifying, labelling and packing dangerous substances. Appointment of Mr. Spenale as Rapporteur. Exchange of views with the EEC Commission on the draft recommendation to the Member States on compensation for workers suffering from occupational diseases. Appointment of Mr. de Bosio as Rapporteur. Joint examination, with the EEC Commission, of its amended draft directive on regulations governing health problems in connexion with trade in fresh meat and poultry. Exchange of views on the proceedings of the "Congress on Air Pollution", held in Düsseldorf in April 1965.

Budgeting and Administration Committee (12)

Exchange of views with the EEC Commission on the first preliminary draft of a supplementary budget for the EEC for 1965. Exchange of views with the EEC and Euratom Commissions on the preparation of: the EEC operating budget for 1966; the Euratom operating budget for 1966; and the draft research and investment budget for Euratom for 1966. Examination of the draft resolution submitted on 17 June 1965 by Mr. Dichgans, Mr. Van Hulst, Mr. Santero, Mr. Kreyssig, Mr. Berkhouwer, Mr. Bord and Mr. Terrenoire on working conditions at the European Parliament;

this was referred back to the Committee. Examination, on the basis of a report by Mr. Thorn, of the regulation concerning the refunding of travelling expenses of Members of the European Parliament. A report by Mr. Baas on the rôle, powers and membership of the Committee to examine the rates of the ECSC levy and the EEC and Euratom budgets.

Legal Committee (13)

Meeting of 7 October 1965 in Brussels: Discussion of amendments to the draft resolution on the paramountcy of Community law over the law of the Member States. Approval of a supplementary report on this subject by Mr. Weinkamm. Approval of the text of a letter to the President of the Parliament on improving the appearance of the Official Gazette of the European Communities.

Joint EEC-Greece Parliamentary Committee

Meeting of 12-14 October in Naples: Exchange of views on the state of progress of the Association. The meeting was attended by representatives of: the Association Council, the Council of Ministers and the EEC Commission.



## II. NATIONAL PARLIAMENTS

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### a). France

#### 1. The common transport policy under discussion in the French National Assembly

During a debate on the budget of the Ministry of Transport and Public Works, Mr. M. Jacquet, the Minister, stressed that "from the point of view of transport, the salient event of 1965 was the conclusion in Brussels on 9 March and, above all, on 22 June of an outline agreement on a common policy for the overland transport of goods in the six countries of the Common Market. Its importance was somewhat overshadowed by the difficulties concerning the agricultural policy, but it none the less remains highly instructive and rich in implications."

The Minister felt "it is thanks to France that an agreement emerged in Brussels on 22 June." Mr. Jacquet drew two inferences from this agreement: "Neither frequent meetings of the Council, nor action by the Brussels Commission can avail when the political conditions for an agreement do not obtain. Failing any political resolve on the part of the States, the Community institutions run in neutral gear. In a sphere in which nothing has happened since the Common Market began, it was possible, through French proposals negotiated "in the French manner" to reach a successful conclusion. Who, after this, will be able to say, in good faith, that we still have lessons to learn in the matter of the making of Europe?"

The Minister said that what followed from the agreement depends in the first place on a resumption of the negotiations to fill in the details of the outline agreement of 22 June. However, the guide-lines with regard to the proposed solutions are immediately applicable at the purely national level. To begin with, a transport policy geared to international competition cannot but be eminently beneficial to users and to customers who should, as a result be able, on competitive markets, to lower their prices. But this policy also serves the legitimate interests of our transport concerns by enabling them to get used to keen competition, by placing at their disposal the means to make a good showing and by encouraging the most enterprising among them.

It is necessary, very gradually and very carefully, but with the greatest firmness, to step up the competition between rail, road, waterway, national and international transport concerns wherever such increased competition has the effect of lowering transport charges and of weeding out transport concerns by strengthening the most enterprising. This policy

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presupposes loosening up on rate restrictions to some extent; this would become possible a) through the transport market becoming more transparent and b) through comprehensive measures designed to ensure the overall balance of the market.

Among these comprehensive measures, the two most important consist, on the one hand in endeavouring to place the carriage of goods by rail on a sound financial footing and, on the other, in resolving, along similar lines for the three forms of transport, the thorny problem of passing on - or not passing on - to users the upkeep and development costs of the infrastructures. The mere statement of these two problems shows that this new policy is designed to be applied over the long term. All the necessary stages and guarantees which are, moreover, laid down in the Brussels agreement, should be respected, even if this policy were to be implemented only nationally; it has three objectives: to satisfy the users, to ensure the dynamism of transport concerns and also to lighten the burden on the national treasury." (Official Gazette, French National Assembly, Debates, 12 October 1965)

### 2. The National Assembly debates the Government's European policy

During the debate on the Foreign Ministry estimates European questions were discussed by the Foreign Minister and several other speakers, including Mr. Faure and Mr. Cousteau.

Mr. Couve de Murville, Foreign Minister, began by speaking of the East European countries. "It is a question of establishing with the East European countries relations that will, whatever the political systems, lead ultimately to a normal situation. It is a question of increasing political, economic and cultural links in a way conducive to the creation of a factor for easing tension if not for promoting confidence. Frequent contacts with Russia have now been established. In the same way, the minister continued, we are beginning to renew our links with the other East European countries under conditions that are naturally fostered by old friendships and the affinities that are still alive.

According to Mr. Couve de Murville, there was a reverse side to this coin and that is the question of knowing how, "in a Europe which would become open to itself," a balance would be established guaranteeing the conditions for lasting peace. "We have always thought that an important factor in this balance might, in the West, be first an economic then a political organization, based to start with on the reconciliation of France and Germany and which gradually, growing in strength,

would become an important factor for prosperity and power. This was one of the reasons why, when the Treaty of Rome came into force, we spared no effort to put it into application and to ensure its success. This was the reason why in 1960 France tried to organize between the Members of this Community a political co-operation likely to lead to extensive developments. This was the mainspring of the Franco-German Co-operation Treaty of January 1963.

The success of such an undertaking is dependent on our dovetailing our policies and our endeavours. The success has manifestly not yet been achieved either because only limited attention has been paid to our political goals or because greater value is attached to other links which are indeed quite justified - we would not seek to dispute this - but which could not become transcendent to the point of becoming exclusive. Be that as it may, the political Europe is still pending. Only time, which always brings experience and, hence, lessons, will make it possible to determine whether this is simply a delay. In the interval, and no doubt to a great extent because the political Europe has not followed, the economic Europe finds itself in a crisis. If, in fact, the political climate between the Six of the Common Market had been different, it would have been difficult to imagine the discussion of the problems that had to be settled before 1 July 1965 ending in a general disagreement under conditions such that in reality no debate in depth proved seriously possible at any time."

The Foreign Minister then discussed the chain of events that had led up to the crisis of 30 June; he recalled the position adopted by the French Government and concluded on this point by stating: "Up to 1 July we were asking for one thing, that is the completion as agreed of the financial regulation; we multiplied our efforts to achieve this; if a debate in earnest had been possible, if the Commission had agreed, in order to help our partners, to depart from its passive attitude, if at length we had concluded, we should not then have asked for more. An entirely different situation has then been created. This was the proof that the attitudes and customs prevailing meant that it was impossible to ensure under acceptable conditions - that is without threats or crises - the development of the Common Market."

Mr. Couve de Murville continued by stressing that an overall revision was essential so that normal conditions for co-operation between the Six might be worked out, which as far as France was concerned, naturally involved respect for its essential interests and firstly its agricultural interests. It was quite clear that the issue at stake was in fact the whole *modus operandi* of the institutions in Brussels. What was actually involved? It was of course not a question of disputing that the Treaty of Rome and the arrangements subsequently made

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for its application involved a limitation on France's sovereignty in the same way as under any other international agreement. Any obligation - by its very nature - was a restriction of the right to decide freely. But this was a restriction that was voluntarily and deliberately entered into. Supranationality, in the European jargon, was a very different notion. Its essence was that it allowed decisions to be taken concerning one country by authorities other than the authorities of that country. Such was the case when a particular decision was the act of an international body or of foreign Governments. Such was the case, in other words, if France accepted the ruling of the Brussels Commission or that of a majority of the Governments which did not include the French Government.

The serious question raised by the setback of 30 June was of knowing if such an attitude was conceivable, if it was compatible with the normal management of the affairs of France. "May I say at once" added Mr. Couve de Murville, "that the conclusion, which in our view is inescapable after the lamentable experience we have just had, is that French interests have no other defender than the French Government and that our agriculture, in particular, can no longer entertain the illusion that it can find elsewhere a paladin to whom it can trust its future."

The Foreign Minister then discussed the powers of the EEC Commission and of the Council of Ministers. "The Commission," the Minister said, "was not in fact given a mandate by the Treaty of Rome to take decisions except for modest executory measures involved in day-to-day management. Its statute is fundamentally and deliberately different from that of the High Authority for Coal and Steel. The latter, conceived in the romantic epoch, was a body theoretically independent of the Governments. Practice has shown the fallacy of such a system. The founding fathers of the Common Market took care not to repeat the experiment but this did not put an end to human temptation and this is what we have just found out. The Brussels Commission is responsible for submitting to the Six Governments proposals for the decisions they have to take. Commentators have always stressed the essential value of a system whereby such a body, described as independent, is called upon to put forward the European point of view, as against the narrow national views of each Government which, let it be said in passing, is a definition that our farmers might do well to think over!

We have never for our part, disputed the value of an objective view of problems and of their solutions. But what is necessary above all - and this is in no way contradictory - to achieve a solution is to elicit a general agreement, in other words to find compromises. This is the ideal sphere in which the Commission can and must exercise its talents. In



other words, it should above all look for formulae which bring the points of view closer together. Each time it has done this we have commended its doing so and we have been able to reach a conclusion. This has been the case on several occasions in the past. But it is not for the Commission to attempt to impose its views, especially when these are of a political character and when its initiatives go beyond its prescribed sphere. This is what it attempted to do in its proposals of 30 March and what it obstinately continued to do after its proposals were rejected."

With reference to the Council of Ministers, Mr. Couve de Murville thought it inconceivable in the present state of relations between the Six and bearing in mind what had just happened that the majority rule could be applied as from 1 January 1966. It was unacceptable that decisions taken unanimously so far, particularly in agriculture, should be disputed by a majority.

The Foreign Minister continued by stating: "Perhaps the situation would have been different if it had been possible to institute political co-operation between the Six as France has been proposing for the last five years. In that event the whole atmosphere of our relations would no doubt have been quite different. Frequent meetings, including meeting at the highest Government levels, would then have allowed for discussions in confidence on any point and for an attempt to bring the various viewpoints closer together on a political basis; in short, disputes could have been avoided, agreements could have been reached and it could have been possible to act in such a way that the clause allowing for a way round the unanimity principle remained in the realm of theory. Events have unfortunately taken a different turn and this is why we now have to state the question. I must add that, among the inferences that France has drawn from this crisis, this conclusion is the one that raises the least opposition among our partners; some even recognize that it is quite justified."

With reference to proposals made by the EEC Commission on 22 July, Mr. Couve de Murville stated: "If such proposals had been made on 28, 29 or 30 June - and there was nothing to prevent this - we should have been happy to enter into discussions and there is nothing to prove that we should not have been successful. But events took a different turn. This is because once the set-back occurred, the French Government drew the relevant inferences, noted that the crisis was serious and refused to take part in further discussions and asked that the essential political measures be taken to preclude any recurrence of such a turn of events on other occasions; this is why the great shiver passed and why haste has been made by other parties to adopt as their own the reasonable proposals that we made and which, furthermore

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involved substantial concessions on our part. Following which, it was hoped that everything would resume as if nothing had happened. This is not the way to deal with serious affairs. On 1 July, nothing would have prevented other questions than the financial regulation arising as a matter of course or a reply from becoming necessary. One would have to be blind or very naive not to realize it."

To resolve the crisis, the Minister stressed that it was for the Governments concerned and for them alone to discuss this matter and to try to reach agreement. France had already publicly stated that she would certainly not hold back from any discussions suggested, provided that they were carefully prepared and conducted in an appropriate setting and at an appropriate time and place. She felt that a political agreement was necessary before discussions could be resumed on the practical and technical issues. Common sense made this essential and only a lack of goodwill could stand in its way. It was in the general interest to achieve this. No one disputed that it was in the interests of France. But it was also and to the same extent in the interests of her partners. Perhaps, too, it was in the interests of all the other European countries, beginning with the nearest, if one were to judge by the increasing attraction that the European Economic Community has appeared to have for them since it began to encounter serious difficulties. If one considered all that had so far been done to implement the Common Market, it required a complete lack of goodwill for anyone to dare to affirm that France's awareness of her national duties and her determination to fulfil them, should, in the future, more than in the past, constitute an obstacle to the agreements which were necessary.

Mr. Maurice Faure (Rassemblement démocratique) made three preliminary observations: "In the first place, if we wish Europe to play a bigger part within the various bodies of the Alliance, we must make a corresponding effort in the direction of its unity, the two ideas being complementary.

In the second place, if Europe must and can have an independent and original policy it will not be as a third force in the world but as the second large group within the free world.

Lastly, to go beyond texts and systems, beyond regulations of whatever sort, the best deterrent force for ensuring our security lies, in the last analysis, in the links of every kind, whether affective or practical, that we Western Europeans have with the United States of America. These ties in no way rule out discussion or even, at times, antagonism, but they should be kept within certain limits beyond which the very problem of the Atlantic Alliance would almost be raised."

Speaking of the problem of Western defence, Mr. Faure said that to begin with there could be nuclear co-operation between France and Britain which would be the first stage, at the European level, towards a nuclear association whose subsequent development it was at present impossible to predict precisely, since this would mainly depend on the form and the progress of the political Europe. In any case the United States would be well advised to encourage this first co-operation for she could not be under the illusion that she could permanently and in one way or another keep Western Europe out of the nuclear field whether this were used for peaceful or even military purposes.

Anglo-French nuclear co-operation within the Atlantic Alliance ought, the speaker felt, to be placed initially at the disposal of the President of the USA, from the point of view of decisions as to its use; the President would not act on his own volition or on his own resolve, but as mandatory of the whole Alliance, that is after a thorough discussion of the various strategic considerations arising and the various dangers that might exist for Western Europe.

"I have never understood," said Mr. Maurice Faure, "how people can describe the supporters of European integration as advocates of European subservience to the United States. For these supporters want to create a great power and a single power out of all the nations of Western Europe. One would really have to have a very twisted mind to believe that a power of 200 to 250 million people - assuming that we succeed in creating it, which is my most ardent hope - would spontaneously accept bondage and would not be able, with the strength at its disposal, to decide its own fate."

Mr. Maurice Faure then dealt with the crisis in the Common Market, stressing in particular that it was not by refusing to negotiate within the framework of existing institutions that one would arrive at a solution to this problem.

After discussing the disadvantages for France that would result from a break-up of the Common Market, Mr. M. Faure stressed that the EEC Commission had played an indispensable part since it was empowered to make proposals, suggest compromises and because it would constitute a guarantee for a State in the minority position when votes were taken if the third stage were entered upon in compliance with the terms of the Treaty of Rome. "Indeed, the Council of Ministers can only take majority decisions if it approves the Commission proposals. This would imply a dual state of permanent conspiracy on the part of five States against the sixth - always the same - and on the part of the Commission, whose formal mandate under the Treaty is precisely to take a common view of European problems and to avoid any national bias."

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"I can understand," Mr. Faure went on, "that the Government should regard the most recent proposals put forward by the Commission in March as going too far politically. It is a point of view which you were entitled to express and which led you to reject these proposals on the Council in Brussels at the political level. But I think it is hard to challenge the Commission's right to make proposals of an anticipatory nature. If it did not assume this rôle within the institutions of this Community, who would? What agency would be able to anticipate immediate realities apart from the Commission, whose mandate and to a large extent whose vocation is to do so? In my opinion, if the Commission has acted in anticipation of events, if it was perhaps too daring, the fact remains that it has kept within the limits of its legal and political powers."

In conclusion, Mr. M. Faure stated that the French Government could not make Europe on its own. "The style of your diplomacy is such that even those who might share some of your views - for no-one is ever completely wrong, any more than any one is ever completely right - are in a difficult position and to some extent paralyzed by the international atmosphere that you have, alas, brought on. For the very serious crisis which we are now experiencing is not a crisis about texts or even about institutions, it is a crisis of confidence, the most difficult of all to resolve. In any case, in 1958, the previous regime, which has moreover been so decried, passed on to you special relations with France's neighbours in Western Europe; it had turned her former hereditary enemies into partners within a joint undertaking which was the greatest peaceful revolution of modern times and which indeed presupposed a casting-off of old habits and attitudes of mind and accepted the view that Europe - within which France was not only not given a lower status, as had been suggested, but had gained in prestige - would gradually come to be regarded, as it were, as our path into the future."

Mr. L. Feix (Communist) stated that although the Communist Group had not changed its basic attitude, it was taking the existence of the Common Market into account. "We should like France to ensure that the Common Market pursues a policy that takes into account the interests of the workers in each country and also our own national interests. To this end we suggest that the elected assemblies and the unions in each country should be represented on the various European assemblies and be given real powers."

Mr. K. Loustau (Socialist) was strongly critical of the Government's European policy, especially on agriculture. All the farmers would be hard hit by what followed from this policy. Mr. Loustau stated: "That the only grounds for hoping that the Common Market will recover from the blow it has suffered would be the belief that it was caused by accident or brought about for tactical reasons, in which case it would be possible, or

indeed that effective and democratic means are available for promoting the common agricultural policy without any cession of sovereignty. But we cannot make any one of these assumptions, attractive though they are. Indeed, the Government's attitude in Brussels is in key with its whole attitude to international relations which substitutes a long and patient advance towards the creation of economic wholes, commensurate with the scale of our time, the succession previously referred to of interim policies."

Mr. Loustau saw nothing scandalous about entrusting to the European Parliament the power that every parliament had as of right of supervising the Commission's use of its financial resources; and if the French Government did not think that indirect suffrage gave the European Parliament sufficient authority, why did it not propose its election by universal suffrage. In making proposals the Commission had kept faith with the spirit and the letter of the Treaty of Rome. The proof was that today, the French Government wanted to undo both the Commission and the treaty.

In conclusion Mr. Loustau trusted that the anxiety of the farmers would induce the Government to abandon its out-of-date ideas and accept a genuine political power in order to bring the Economic Union into being.

In reply to the various speakers the Foreign Minister stressed that the French Government was not looking to the present crisis for an opportunity to withdraw from the Common Market. "Had we wanted to withdraw from the Common Market it would not have been difficult for us to find good reasons in the last seven years for not continuing along the course we had taken."

Speaking of the part played by the EEC Commission, Mr. Couve de Murville stated: "without prejudice to the rules of procedure under the Treaty of Rome there is a question of attitude of mind and of *modi operandi*. The situation of recent months has not been satisfactory. I have myself pointed this out to the highest Commission authorities on several occasions, but they have refused to believe me. Perhaps they are now convinced. I should like further to add that the Commission must be impartial. It must adopt a general standpoint and its main task should be to seek a compromise."

"By definition," the Minister stressed, "the Commission is made up of members who are nationals of the Member States. This Commission takes its decisions by a majority. I may say, he went on, "that it is not often unanimous on important issues. These matters are decided by a majority and experience consistently shows that the majority on the Commission is the

same or almost the same as that on the Council of Ministers. In other words - this is furthermore quite natural and I am not complaining - the members of the Commission take the same line as their fellow-countrymen. Consequently we should avoid exaggerating. It is a good thing to take an impartial view but nothing is absolute even in objectivity." (Official Gazette, National Assembly, 21 October 1965)

b) Italy

Ratification of the Treaty merging the Community Executives. The debates in the Chamber of Deputies

In the Chamber of Deputies on 15 and 19 October on the occasion of the ratification of the Treaty instituting a single Council and a single Commission of the European Communities, there were full-scale debates on European integration and on the difficulties standing in the way of accelerating the political and economic unification of the Six countries of the Communities.

Mr. Edoardo Martino (Christian Democrat), set out in full in his introductory report the substance and implications of the Treaty; he emphasized that this was a further step forward, albeit a timid one, towards European unification. "The merger of the three Executives, achieved with considerable difficulty, will," he said, "give greater authority to the Community bodies in their discussions with the Governments of the Member States to achieve agreements on practical provisions. It will be up to the new Executive to defend and promote the Community interests against any dangerous deviation. Whence the importance for the Executive to have increased power and authority: the merger will certainly contribute towards this end."

In the debate which followed, Mr. Pedini, Italian Member of the European Parliament, stated that the ratification had the full support of the Christian Democrat Parliamentary Group. He reviewed the economic advantages that had resulted from the Community at the national level and he stressed that the European Community could in future no longer be governed by means of water-tight compartments. Mr. Pedini then devoted part of his speech to the prospects inherent in this unification, with respect to which it was desirable to make early preparations and in which it would be possible to use the EEC Treaty and many of its regulations to organize the basic industries while many of the EEC regulations would have to be laid down as the basis for trade and economic and specifically industrial policy. The merger of the Executives, however,

caused concern on account of the current integration crisis. The reason for this crisis was two-fold: the increased lack of harmony, even if positive, within the Community in recent years and the conflict with France on the interpretation of the Treaty of Rome. "France's five partners have the Treaty and law on their side: it is up to them to find a unity of political direction which without equivocation, while leaving the door open to any agreement on specific problems, ready to define the agricultural regulation, makes clear what are the essential principles of the Community, that cannot be called into question, even though it may be understood that a great power like France asks for guarantees and gradualism in the introduction of the qualified majority voting principle, scheduled to come into operation at the beginning of the third stage, a more precise definition of the limits to the action of the Commission, whose powers, however, being clearly set out in the Treaty cannot be called into question. It could, perhaps, be said that in ratifying the merger of the Executives today, we may be adding dangers to those that already exist and facilitating a reform of the Community in the nationalistic sense. In reality this should be no reason for not going forward."

Mr. Sabatini (Christian Democrat) emphasized how important it was that the common agricultural policy as it stood (and which France had used as a pretext to cause the EEC crisis) should not be called into question, as had been requested in certain quarters in Italy in relation to the common price for cereals. As to the future, Mr. Sabatini recommended that the Governments adopt the greatest firmness in defending the Treaties instituting the Communities to preclude their being rendered inoperative, even in the search for any reasonable agreement with France. Mr. Sabatini concluded by deploring the exceptionable attitude of the Communists and their absurd ideas about "the Europe of monopolies", which were ending up by promoting the disruptive designs of de Gaulle.

Speaking for the Socialist Group, Mr. Bertoldi began by recalling that unifying and rationalizing the Community bodies was not enough of itself to relaunch the European idea. He therefore stressed the need to democratize the Community bodies and the European Parliament, whose representative character had fully to be guaranteed to preclude the Community's assuming a technocratic aspect. He recalled that the only valid way of achieving this end was that of the election of the European Parliament by direct universal suffrage. Mr. Bertoldi called upon the Assembly to appoint a new delegation to Strasbourg that would include the Communists. As for the Treaty under examination, Mr. Bertoldi said that although he was in favour of it, he was surprised at the lack of controls over the decisions of the bureaucratic and technocratic bodies of the Community: it was in the very nature of supranational institutions that their decisions should not be subject to the control

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of national parliaments; but this did not justify withholding this supervisory function from the supranational Parliament.

Mr. Girardin (Christian Democrat) stressed the importance of ratifying the Treaty under examination, especially in view of Europe's present difficulties and of the imperatives thrown up by technological developments which gave an increasing impetus to the interpenetration of European economies. He denounced the absurd policies pursued by France against the Community structures, and stressed that the integration of Europe could no longer be reversed. To turn back would spell economic disaster for Europe. In this connexion he announced that his Group would submit an agenda to enable the Chamber, at the same time as it ratified the Treaty, to set on record a statement of intentions affirming the fundamental principles of the Community Treaties.

Mr. Bucciarelli-Ducci, the President of the Chamber of Deputies, took advantage of the opportunity afforded by the debate to inform the Assembly that in view of the slightly irregular position of the Italian Delegation to the European Parliament, he had brought to the attention of the chairmen of parliamentary groups the problem of appointing a new delegation. However, even if they did not reach an agreement as to the membership of this delegation, the President of the Chamber of Deputies gave an assurance that this matter would be included in the Assembly agenda as soon as possible.

Mr. Alicata (Communist) began by trying to belittle the importance of the European ideal and took advantage of the current Gaullist controversy to discredit the whole integration process by describing the Europe of the Six as "a monopolistic union at the service of the big financial industrial combines". After this severe criticism of the Community institutions, Mr. Alicata went on to speak of the Communists being excluded from the European Parliament; he pointed out that in maintaining an absurd discrimination against the largest Italian opposition party, an illegal representation in the European Parliament had, for more than two years been maintained, occupying seats that should have gone to the rightful representatives of the Italian people.

Mr. Di Primio (Socialist) recognizing that the European Community institutions were encountering serious difficulties, said that they should not become discouraged nor foreswear their act of faith in Europe embodied in the ratification of the Treaty under examination. He looked back on the stages that European integration had already gone through, adding that the gradualism of its economic progress should have its counterpart at the political level. As to the question of the Italian delegation to the European Parliament, he referred both to the repeated statements of the Socialist position and to the



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statement of the then Minister for Foreign Affairs, Mr. Saragat, signifying opposition to any discrimination. "It is our opinion that a valid delegation to the Strasbourg Assembly should reflect the membership of the national Parliament. At the same time no political party represented in the Italian Legislative Assembly should be excluded from the European Parliament."

Mr. Galluzi (Communist), Rapporteur for the minority, averred that it could be inferred from the debate that the key European issue was not the ratification of the Treaty unifying the Community Executives which had been discussed but of assessing the real position with regard to European integration and its future prospects. There was no question of disputing the need for European integration. It was a question of recognizing its present political overtones against the realities of the international situation and of the objectives towards which they were directed. As for the Italian delegation to the European Parliament, Mr. Galluzzi took exception to the attitude of the majority which had made no reference to the reappointing of a delegation elected on the basis of discrimination against the Socialists at present in the Government.

Mr. Lupis, Under-Secretary of State for Foreign Affairs, said that the Government fully agreed that the question should be tackled at the earliest opportunity. "For its part the Government could not but remember what had already been so frequently said by Mr. Fanfani; the Government fully concurred in the hope that the new Italian Delegation to the European Parliament would be selected as soon as possible to make the Community Assembly more representative; this, however, could not but bring the attention of the Chamber back to this question, for it alone was responsible for the selection of the delegation. The Government welcomed the statement by the President, Mr. Bucciarelli-Ducci, which demonstrated once again the President's keen awareness of this problem.

With reference to the ratification of the Treaty, Mr. Lupis took the opposite view from those who felt that approving the Treaty would appear to be an indirect endorsement of the French view by divorcing the merger of the Executives from an increase in the European Parliament's powers; in fact, he felt, the Treaty would make for greater effectiveness with respect to the latter; he also felt that it was directed towards an objective which was quite the opposite from the one which the French had in mind.

Mr. Lupis then recalled that the Government had not failed on several occasions formally to confirm in Community circles the importance it attached to increasing the powers and prerogatives of the European Parliament and it had made

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practical moves towards this end. The Under-Secretary of State for Foreign Affairs concluded by saying: "We need particularly to bear in mind that in compliance with the votes expressed by the Parliament, the Government itself in signing the Treaty had solemnly confirmed its attitude, in the shape of a definite statement by Mr. Fanfani, Foreign Minister, that it would work towards increasing the powers of the European Parliament and called upon the other Members to work towards the same end."

The debate was concluded by Mr. Edoardo Martino, Rapporteur for the majority, who firmly rejected the criticisms of the European Community made by the Communist Party. "The Communist view of the EEC as a self-centred monopolistic bloc and as a substantial factor in the cold war, is at variance with all the economic achievements of the Community; it is the world's greatest importer and the world's second largest exporter which clearly excludes any trend to self-sufficiency; its purchases from the developing countries are furthermore ten times greater than those of the U.S.S.R.; many of these countries are associated or will become associated with the EEC, whose purchases from them are greater than those of the United States; the EEC has concluded trade agreements with Poland and is negotiating an agreement with Yugoslavia and its total trade with the Communist countries had increased more than that of any other country."

After noting that the negative attitude of international Communism to European integration had hampered the development of relations with the East-European countries, Mr. Martino stressed that the attempts to revise this attitude were impaired by ideological prejudices, which in fact prevented any positive progress in these relations, and this had demonstrated "the inability of the Communists to appreciate the new realities betokened by European integration."

At the close of the debate the Chamber of Deputies approved the draft law ratifying the merger of the European Executives. It was opposed only by the Communists and the Social Proletarians. (Chamber of Deputies, summary of proceedings, 15 and 19 October 1965)

c) Netherlands

1. Debate on the European crisis in the Second Chamber

Written question from the Chairmen of the three political groups forming the Government

Mr. Spaak, Belgian Foreign Minister, having expressed the view that the best way to tackle the present crisis would be to call a meeting of the Foreign Ministers at which the EEC Commission would not be present, the Chairmen of the three parliamentary groups in the Second Chamber (K.V.P., A.R.P., P.v.d.A.) asked the Government on 28 September to what extent such a view was consistent with the outcome of the discussions held in The Hague on 16 September between the Dutch and Belgian Governments.

On 8 October Mr. Cals, Prime Minister, replied as follows:

"At our recent meeting in The Hague there was never any suggestion that a meeting of Foreign Ministers should be held outside the Community framework. The two Governments agreed that the following procedure should be discussed with the Governments of Italy, Germany and Luxembourg: if at the normal meeting of the Council fixed for 25 October the French Government persists in its present attitude, consideration could be given to a meeting of EEC Foreign Ministers in the absence of the EEC Commission (under Article 3,b of the Council of Ministers' Provisional Rules of Procedure).

The two Governments felt that such a procedure might bring to light - within the framework laid down for that purpose - the reasons that led the French Government to adopt its present attitude. At the same time, it would help to preserve the continuity of Community collaboration in Brussels.

The financing of agriculture cannot be discussed at this session of the Council. As agricultural questions under examination are among those in respect of which the Council has to make a decision on a Commission proposal, they cannot be discussed in the absence of the Commission."

Political debate on the occasion of the presentation of  
the National Budget for 1966

The political and financial debate held on 12-14 October on the National Budget for 1966, gave the various Groups in the Chamber an opportunity to state their attitude to the crisis in the European Communities and to express their view on Mr. Spaak's initiative.

Mr. Geertsema, Chairman of the V.V.D. Liberal Group, asked what policy the Government intended to follow in the European crisis, for neither the Queen's speech, nor the explanatory statement appended to the foreign affairs budget, gave any details on this subject. The speaker was convinced that despite the difficulties the Five would inevitably run up against, they should carry on and, first and foremost, resume the talks broken off on 30 June. "The Netherlands," he went on to say, "should do everything possible to ensure the solidarity of the Five. 'Facta sunt servanda' should be the motto of the Netherlands Government. The Treaties of Rome must be applied to the letter. If General de Gaulle is unwilling to recognize them because they were drawn up before he came to power, that is his affair, not ours. The EEC must not be content to settle internal problems; it must look beyond its frontiers to EFTA with a view not only to building a bridge between the two Communities but also to taking a first step towards integration."

Mr. Schmelzer, Chairman of the K.V.P., stated that his Group felt that the Dutch Government should not budge from the position it had till now adopted.

The fact that France was no longer attending meetings of the Council of Ministers, and wanted to evade the obligations imposed upon her by the Treaty, was not a reason for hastily extending to her the hand of friendship and seeking a remedy for difficulties she herself had provoked. As shown in particular by the reply given to the questions of the three Chairmen regarding the current consultations between the Benelux countries, the Dutch Government was keeping a cool head. The speaker felt that this was the wisest attitude and the most likely to yield the best results.

Mr. Schmelzer could not moreover see how a partner like France could withdraw for good from the Community. The Community character of the Treaties had however to be preserved at all costs. "Even if countries like the United Kingdom and the Scandinavian countries were to take part in the unification of Europe - as we understand it - the process will in would demand that this proceeded on Community conditions. The in that."

democratic, outward-looking Community approach, of which the European Treaties contain only the seed - we are after all only at the beginning - is a post-war achievement that should not be tampered with in any way. After the bloody years through which Europe has passed, and with a view to preserving peace, we should be wary of impairing Treaties solemnly concluded for the purpose of bringing together former combatants in a new Community. We feel that in remaining true to the community-minded, democratic and outward-looking spirit of the European cause, we are making an indispensable contribution to world peace."

Mr. Beernink, Chairman of the C.H.U. Group, then summed up the position of his Group. If co-operation in the EEC were to come to grief, that could be a catastrophe for the future of the Dutch people. Dutch policy should be founded on respect for the EEC Treaty and in particular for its spirit. The rôle of the European Commission would therefore have to be established on a permanent basis. Moreover, the growth of nationalistic ideas within the EEC had to be discouraged. Finally, no effort should be spared to preserve the outward-looking character of the EEC in both the political and economic spheres. The lines along which the Community finally developed were, in the speaker's view, more important than the immediate economic advantages that could be derived from it.

Mr. Bakker, Chairman of the Communist Group (C.P.N.), felt that the present conflict hinged mainly on whether other countries should openly become financiers of the French "force de frappe". There could be no question of yielding in any way to General de Gaulle's political demands; firstly because the Netherlands ought not to be put in bondage to a country that possessed a nuclear strike force, and secondly because General de Gaulle's authoritarian creed was a blow at parliamentary democracy even at the national level. Following their elections, the Germans in the West had begun to ask for nuclear arms within the framework of a multilateral force. That they went so far was due to French policy, which acts not only as a constant threat but also as a pretext for their demands. In the eyes of the Communist Group de gaullism served as the main prop for German militarism.

Mr. Nederhorst, Chairman of the Socialist Group (P.v.d.A.), dwelt on the close connexion between the European crisis and the crisis in the Atlantic Community. To satisfy the French nationalist aspirations by substituting intergovernmental for supranational co-operation would be to encourage German nationalism which, though at present dormant, could well be invoked one day by Germany in support of a claim for a nuclear arsenal of her own alongside the French "force de frappe". Only the integration of a Europe allied to the United States in

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close Atlantic co-operation could lead to an easing of tension. The ideas of General de Gaulle could only heighten world tension and the Russian distrust of an independent Germany that was not integrated in a European framework.

The best contribution that could be made towards a general easing of tension which would at the same time enable German re-unification to be regarded as a serious proposition, would be to take a firm stand and uphold the principle of supra-national co-operation. There could be no lasting European stability without equal rights: in the alliance that would symbolize co-operation in the west as a whole, Germany would have to be placed on the same footing as the other great powers.

The EEC crisis was therefore an extremely grave political conflict, compared to which material interests were of secondary importance. "France is asking for nothing less than a radical change in the foreign policy of her five partners. These are expected to accept the idea of a third force, of a nationalist, independent Europe and of a European nuclear force, with the "agonizing reappraisal of the relations between Europe and the United States" that implies.

The Socialist Group "has no need for hasty moves to bring the French back to the conference table. France has thrown down the gauntlet. It is for her to show that - in defiance of all French traditions - she is capable of tearing up treaties freely entered into." Any attempt "to invalidate the principle of majority decisions by resorting to specious interpretations" would meet with strong opposition from the Socialist Group. The latter furthermore did not feel that the six governments should meet without the EEC Commission. "The Five should agree to continue their work in the normal way and to take the necessary decisions. If it is found, after 1 January 1966, that France is openly contravening the provisions of the Treaty, the new situation that would then exist would allow the Five greater freedom of action", provided of course that the principles of the Treaty are respected. The Socialist Group felt that for the moment there was no pressing need to ratify the Treaty on the merger of the European Executives. "The horizon will first have to clear and we will have to be sure that France will carry out its obligations under the Treaty before we agree to any discussion on the merger of the Executives."

Mr. Roolvink, Chairman of the A.R.P. Group, felt it would be dangerous at the moment for the Five to show the slightest inclination to endorse the viewpoint of the French President. There were two alternatives. First, a "hard line" could be

taken. But then the question would arise whether, since the very existence of the EEC was now at stake, the time had not come to break off the negotiations and go ahead with the work of enlarging the Common Market, a widely-felt wish which has so far been thwarted by the negative attitude of the French Government. It could also be asked whether strong pressure might not bring the troublesome partner back to the fold. The best solution, however, appeared to be to negotiate on a basis consistent with both the spirit and the letter of the Treaty. "Provided that the position of the EEC Commission is not impaired and that the Treaties are not in any way invalidated", the A.R.P. was prepared to "allow the Cabinet a certain amount of elbow-room".

In his reply Mr. Cals observed that a large measure of agreement existed between the five main parties and the Government on European integration. Although the Government was allowed a measure of freedom in its choice of means to implement its European policy, this freedom was - he readily recognized - in the nature of things subject to limitations. "The Government will not collaborate in any way in attempts to weaken the Community structure of the Treaties of Rome and Paris." The tensions in the Community were so closely linked with the policy that France desired to pursue within the Atlantic Alliance and vis-à-vis east European countries, that the problems of the EEC could not be tackled separately. The present crisis was affecting the whole system of western co-operation.

Although at present there was no danger that the Communities would break up - since France appeared willing to co-operate, by means of the "written procedure," in preserving what had already been achieved, this ambiguous situation could clearly not last very long. If it were to persist for any length of time, the five States that continued to attend meetings of the Council would have to decide whether, and under what circumstances, they would be entitled to take valid decisions. It was certainly not the intention of the framers of the European Treaties that the existence of the Communities should be imperilled by the constant absence from discussions of one of the signatories.

At the moment - went on Mr. Cals - the Government was striving to secure a resumption of the dialogue at a Council session from which the European Commission would be absent. The aim of the meeting would not be to deal with problems of a specific Community nature - if that were the case the Commission would have to be present - but to get a clearer idea of France's wishes and of the conditions she was laying down, knowledge of which was at present extremely vague. Until the position was clarified it would be impossible to

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resume proper negotiations on the lines advocated by the Government. The Government's European policy still centred on the creation of an outward-looking supranational Community in which parliamentary democracy could play its full part. (Annex to the Proceedings of the Second Chamber, 1965-66 Session, 35. Proceedings of the Second Chamber, 12, 13 and 14 October 1965)

### 2. Families of Italian workers in the Netherlands

In reply to a written question from Mr. Berkhouwer (V.V.D.) in connexion with the expulsion of the families of two Italian workers, the Minister for Justice and the Secretary of State for Social Affairs and Public Health stated on 20 October that according to Article 17 of EEC Regulation No. 38/64, families might join migrant workers provided that such workers had homes ready for their families that could be regarded as normal by the national workers in the area concerned. In practice this requirement has never been met in less than one year.

The Government did not consider it as in the general interest to authorize families which have given up their homes in other countries to settle down unprepared in the Netherlands and live under abnormal housing conditions. In exceptional cases, however, when a possibility occurs of providing suitable accommodation for the family of a migrant worker without prejudice to Dutch people seeking homes such an authorization is granted even if the worker has not worked for one year in the Netherlands.