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**EUROPEAN PARLIAMENT**

General Directorate of Parliamentary  
Documentation and Information

This publication deals with problems relating to the progress of European integration: it analyses noteworthy attitudes taken and articles written on these issues. It also reports on the efforts pursued by the European Parliament, the Parliaments of the Six Member States and by other European parliamentary bodies with a view to achieving the aim of uniting Europe.

For further information on some of the problems tackled by the European Communities and, in particular, on the work of the Executives, readers are referred to the following official publications :

Bulletin of the European Coal and Steel Community

Bulletin of the European Economic Community

Euratom-Bulletin of the European Atomic Energy Community

The Council of Ministers issues a press release at the close of its sessions. Its activities, however, are also covered in the Community Bulletins.

# C O N T E N T S

## P a r t I

### DEVELOPMENT OF EUROPEAN INTEGRATION

	page
I. GENERAL PROBLEMS .....	1
1. European affairs and General de Gaulle's press conference	1
2. The President of the United States of America and the unity of Western Europe .....	2
3. Mr. Spaak and Mr. Giscard d'Estaing and progress in the making of Europe .....	3
4. European choice of the Italian Socialists .....	6
5. Eighteenth Round-Table Conference in Hamburg .....	7
6. Seventh Congress of the Social Democrat parties of the European Communities .....	10
7. Sixteenth Ordinary Congress of the 'Europe-Union' of Germany in Baden-Baden .....	12
8. Europe's world responsibilities - declaration by the European Movement .....	17
9. Conference of the European Union of Christian Democrats held at Rome on 18 December 1966 .....	19
10. Italian Foreign Minister Fanfani's visit to the Federal Republic of Germany .....	21
II. ECONOMIC POLICY AND ECONOMIC SECTORS .....	23
1. The UNICE and European integration .....	23
2. For a European scientific and technical research policy ..	25
3. Italian industrialists and the Kennedy-Round .....	30
4. Committee of Professional Agricultural Organizations (COPA) and the common agricultural policy .....	31

	page
III. EXTERNAL RELATIONS .....	33
1. The Spanish Minister for the Development Plan and the integration of Spain in the Common Market .....	33
2. Germany and Spain's association with the Common Market	34

## Part II

### PARLIAMENTARY ACTIVITY

I. EUROPEAN PARLIAMENT .....	37
a) Work of the Committees in December 1966 .....	37
b) Parliamentary conference of the Association	
The Third meeting of the Conference (Abidjan, 10-14 December 1966) .....	41
II. ASSEMBLY OF THE WESTERN EUROPEAN UNION .....	45
WEU Assembly and the problems raised by the possible accession of the United Kingdom to the European Communities	45
III. NATIONAL PARLIAMENTS .....	47
a) Germany .....	47
Government declaration by Federal Chancellor Kiesinger and European policy .....	47
b) Italy .....	49
Mr. Fanfani, Foreign Minister, addresses the Italian Chamber of Deputies on technological policy and Europe ...	49
c) Netherlands .....	50
1. Adoption by the First Chamber of the Treaty for the merger .....	50
2. European policy .....	51
3. Social harmonization in the EEC .....	53

## Part I

### DEVELOPMENT OF EUROPEAN INTEGRATION

#### I. GENERAL PROBLEMS

##### 1. European affairs and General de Gaulle's press conference

At his press conference on 28 October, the President of the French Republic repeated his concept of Europe : 'Our concept of Europe and our action in Europe are, of course, our own, but are not directed against anyone ; indeed, we believe them to be useful to all,

It is true that their basis is Europe as it is, and not Europe as it might have been imagined to be but is not. It is true that what we are trying to do is to serve Europe's interests and not interests foreign to Europe. It is true that we consider it desirable for our continent itself to organize, from one end of its territory to the other, détente, understanding and co-operation. But we do not believe there is anything there that need, in short, run counter to anyone's interests. This is the principle that underlies our European policy, whether in our relations with Germany, our enemy of yesterday, or in our efforts to bring about an economic and, if possible, a political grouping of Western Europe or to reach agreement and associate with the East European countries.'

After emphasizing that the European Common Market was now organized, the President recalled that 'again and again it was the firm and clear-cut action taken by our public authorities that saved the enterprise from straying down paths leading nowhere.' General de Gaulle referred to the suspension of negotiations with the United Kingdom as a case in point, for 'these negotiations were well and truly preventing the Six from building their Community.' 'This was again the case in Brussels in 1965 when we had to suspend talks that appeared to be on the point of succeeding but in fact did not because, at the decisive moment, the completion of the common agricultural market, which was necessary for us, was called into question, and because we were asked to accept a serious surrender of sovereignty. Yet, after a certain amount of commotion, our attitude proved to be highly salutary as it substantially contributed to the decision of the Six to adopt this year all the essential regulations concerning agriculture which had till then been left pending, and to take cognizance of the fact that henceforth the reversal of decisions will require a unanimous vote, in other words, France's endorsement. Clearly, by defending

her own interests in this way France has served those of the Community, if only by safeguarding it when it was in danger of breaking down.

After all, political co-operation between the States that are members of the Community is certainly indispensable if the EEC is to endure and to go on developing. We have stopped proposing that such co-operation should be gradually organized on the sole condition that it aims at defining and following a policy that is European and not at conforming, necessarily and on principle, to a policy that is not. It is this condition that has so far prevented the adoption of the French plan, although no other has been put forward. Yet directly one speaks of Europe, who can fail to recognize that France has done everything - other than indulging in empty speeches - to ensure its birth and development, starting out from the West? Furthermore, even if the economic grouping of the Six is one day rounded off on the political plane, nothing worthwhile or enduring can be done for Europe until agreement is reached between its peoples in the West and its peoples in the East.

In particular, the solution of a problem as grave as that of Germany's future is not otherwise conceivable. As for the development and the spread of the influence of our continent, which are at present held in check by its division, what giant strides they would make in a united Europe !' (Le Monde, 30-31 October 1966)

2. The President of the United States of America and the unity of Western Europe

At the National Conference of Editorial Writers on 7 October 1966, President L. B. Johnson pledged America's best efforts to support movement toward Western European unity. 'The outlines of the new Europe, he said, were clearly discernible. It is a stronger, increasingly united but open Europe - with Great Britain a part of it - and with close ties to America.' He stressed that a united Western Europe could be 'our equal partner in helping to build a peaceful and just world order.' It could move more confidently in peaceful initiatives toward the East and provide a framework within which a unified Germany could be a full partner without arousing ancient fears.

'One great goal of a united West, the President said, is to heal the wound in Europe which now cuts East from West and brother from brother. That division must be healed peacefully. It must be healed with the consent of Eastern European countries and the Soviet Union.'

'Nothing is more important for peace. We must improve the East-West environment in order to achieve the unification of Germany in the context of a larger, peaceful and prosperous Europe.' ..... 'Americans are prepared

to do their part. Under the last four Presidents, our policy towards the Soviet Union has been the same. Where necessary we shall defend freedom - where possible we shall work with the East to build a lasting peace.'

' We must turn to one of the great unfinished tasks of our generation - making Europe whole. The maintenance of old enmities is not in anyone's interest. Our aim is a true European reconciliation. We must make this clear to the East.'

' In a restored Europe, Germany can and will be united. This remains a vital purpose of American policy. It can only be accomplished through a growing reconciliation. There is no shortcut.' (Le Monde, 9-10 October 1966)

### 3. Mr. Spaak and Mr. Giscard d'Estaing and progress in the making of Europe

In a statement made to the ' Le 20e Siècle ', Mr. Spaak analysed the present state of Europe : ' For 20 years Europe has been living under the joint, indis-sociable, dispensation of an Atlantic Alliance and a progressive unification. As a result Europe, once so blood-stained and shaken, today enjoys peace and a hitherto unknown prosperity. Would it not be absurd and even dangerous to weaken such a system and to change order into disorder?'

I remember that in 1957 those, including myself, who signed the Treaty of Rome, were not thinking solely of the Common Market ; they were working, it was true, for a change for the better in the economies of their countries but they also realized they were taking a vital step towards the European political union. Perhaps they were a little too optimistic ; they let themselves be carried along by a certain historic fatalism and were more or less convinced that economic integration needs must lead to political unity. Today we are bound to acknowledge that, although the economic progress made has exceeded our hopes, the same has not been true politically and even the European spirit is on the wane. ' Building Europe ' is not just a question of settling the price of wheat, the production of sugar or the import of American chickens ; it is taking part with one mind in a common approach to the key issues facing Europe and the world. May I add that if this spirit should falter or disappear, it is not certain that the present economic progress would continue or even that the results already achieved would be maintained. This is why I say, as I have done in the past, that 1) to achieve the economic unity of Europe, we must have a supranational type of authority, and 2) that economic union is in the long-term inconceivable without political union.

With reference to the first point, we have only to reflect on the difficulties encountered by the Six among themselves and on what will happen, when at some future stage, the Six become Eight or Ten or Twelve ..... Obviously, the

greater the number of partners, the greater will be the number of problems and the more difficult these will be to solve - because if unanimity is not easy for Six, it is much less easy for Twelve. This is a dilemma that we cannot escape : either the Community will become paralyzed or else it must be endowed with a supranational authority. It is worth emphasizing that while we may criticize candidates for accession for not making up their minds, the Six themselves have not been very sure of their own position since the Luxembourg compromise at the beginning of this year because this ultimately rests on their finding that five members are keeping faith with a treaty that the sixth refused to apply . . . . .

The close relationship between economics and politics is equally clear. Economic integration cannot be carried all the way through unless there is a common policy basis. I must admit that I do not understand those who claim that they accept economic unity but reject political unity. Do they not realize to what limitations, to what impossibilities they are condemning themselves ? Take the fiscal system, European currency or even Community planning; nothing of this can be achieved between countries whose defence and foreign policies either differ or clash. Here too one example is enough : the common agricultural policy. This costs Germany a great deal. Would Germany agree if her five partners dissociated themselves from the German desire for reunification ? Sacrifices are inconceivable except in a general spirit of solidarity. The alternative is inevitably national egotism. There is here a close link between the building of Europe and the Atlantic Alliance. If the Six have so far made some progress towards political union, it has been because they have, through NATO, taken the same course in the sphere of defence.

One last point. In 1945 Mr. Byrnes, Secretary of State, said to me : 'The Russians prefer three-way talks to four-way talks, and two-way talks to three-way talks.' For twenty years the Americans have resisted the temptation. If they no longer believe in European unity and if they become resigned to the fact that our continent will fall back into disorder, they will deal directly - and above our heads - with Moscow. There will, no doubt, be peace, but we shall no longer count for anything in the world. There is only one way in which this risk can be parried : through a united Europe, the partner of the USA within the Atlantic Alliance.

For his part, Mr. V. Giscard d'Estaing, in an interview with the same newspaper, stated his attitude to the pursuit of the making of Europe : ' . . . . . We cannot found the existential, resolutely forward-looking Europe that we have to build, on the tenuous realities, the undefined potential of the State or super-State. The existential Europe leads to the organic, living Europe and it is made up of the local authorities, the regions, Communities and institutions of every kind, and also, of course, of the national States because they are one aspect among many of the existential reality of Europe. All these constituent parts must be allowed scope to evolve under the pressure of realities and to change in order to face up to the imperatives of a new situation or a new problem, and to adjust 'flexibly' to the social changes which herald the 21st century.



The organic Europe is the corollary of the existential Europe. Only the existential Europe can protect European thinking from sclerosis, and only the organic Europe can stop the European Society from becoming set in its ways and imperious to change.'

Mr. Giscard d'Estaing thought that the progress of the political Europe depended on the development of institutions: 'To make the political Europe progress involves injecting into the existing institutions some feature which will ensure their convergence while at the same time respecting their prerogatives.' He considered that 'against the background of the existential Europe', an assembly elected by universal suffrage 'is not a solution because it would immediately throw up two conflicts. Firstly, there would be a conflict of law: who would make the law? The national assembly elected by universal suffrage? Secondly there would be a clash between individuals. Who would be representative? Would it be the French, the Germans, the Italians, elected within the framework of a national assembly, or would it be those elected in a European assembly? In short, an assembly elected by universal suffrage is the expression of a principle, and this principle is that of decisions taken by a majority. Who can say, however, whether at Europe's present stage of development, decisions can be taken and put into effect through the simple agency of a majority? What sort of European majority could there be? Who would constrain the minority to speak a language other than their own? What European majority could exist and change the statute or right to exist of the political parties or the trade unions? In reality, at this stage in the existential Europe, we are none of us ready, when we are in a minority position, to submit to the decisions of the majority.

We must therefore go forward on another course, and this is why I think that the first institution to establish is a European Senate. European senators should be elected in the second degree by the locally elected in the same way as our French senators are at the moment, but within the framework of regional lists which would mean that we could, for the first time, use this electoral constituency. This is the existential Europe, but it is also the organic Europe because the region would become one of the key components of European society. This senate would furthermore have to be made up consistently with the balance already operative in the EEC. According to the Treaty of Rome, of course, each country has a certain number of votes on the Council of Ministers in Brussels. France and Germany have the same number of votes and the other countries have a weighted number. The number of senators for each country would be determined in relation to this voting key.

The European Senate would be asked to give a second reading to all national legislative texts whose convergence and harmonization between States might be thought desirable: taxation, social security charges, commercial law, labour law. Debates might be organized on defence, foreign policy and economic policy. The Senate would examine the texts coming within its terms of reference after a first reading by the national Parliaments, and would have the right to make amendments. The Senate might, by a qualified majority, require a

second Community deliberation. The national Parliaments would be the authority in the last instance. This Senate would be the first stage in a development we could pursue to make Europe.'

To obtain this Senate, Mr. Giscard d'Estaing felt 'we should first of all have to have a meeting of the Heads of State and Government to discuss it. We should then have to have changes in the national constitutions so that if this were necessary (in the case of France particularly), it could be approved by referendum. Lastly it would be a development whereby we should have all the necessary guarantees because we should need a constitutional decision on the part of each State to carry forward the developments thus initiated. This is the kind of solution and the kind of proposal which leads me to suggest this design, both existential and organic, of Europe.' (Le 20e Siècle, December 1966)

#### 4. European choice of the Italian Socialists

On 30 October the two Italian Socialist parties - the PSI (Italian Socialist Party) and the PSDI (Italian Social Democrat Party) - became united. The Socialist constituent assembly, meeting at Rome, approved both the creation of the new party - the united PSI-PSDI - and the 'declaration of principles, political action and organization', the ideological charter of the united party.

The constituent assembly followed congresses held at Rome by each of the two parties which ratified the union, - the 37th congress of the PSI from 27 to 29 October and the 15th Congress of the PSDI on 29 October. At these meetings the two parties again discussed European policy. The PSDI confined itself to recalling the stand on European unity it had decided on at the previous congress (the 14th, held at Rome from 8 to 11 January 1966) (see European Documentation, February 1966, p. 1). A more searching debate was held by the PSI. Mr. Nenni called for a new drive for European unity. Mr. Cattani, responsible for the party's foreign affairs section, described the Socialist Party as a European party and added that the aim of Socialist foreign policy was the unity and security of Europe. He looked forward to a new balance in Europe based on three factors : (i) a Community revival and a move forward from an economic community to a common concept of international policy; (ii) the geographical enlargement of the Community to embrace Great Britain and EFTA ; (iii) the adoption of a sound and realistic approach to economic and political co-operation between the Community in the West and the Communist countries of the East European bloc. Mr. Lombardi, leader of the Left minority, welcomed the party's European pledge, because socialist action could only be effective against a European background. He warned, however, against championing the European cause as a pretext for dodging political and social obligations arising from the party's international outlook.

The question of the European pledge came very much to the fore at the constituent assembly. Mr. Nenni dwelt on the need for relaunching the drive for unity. 'This is a very delicate time,' he remarked, 'for Europe and for its unity.' Progress in the EEC was blocked by the Gaullist attitude in France at a time when either (i) the economic organization of the Six could be extended to cover Great Britain and the EFTA countries and the economic community would broaden into a political community, or (ii) even what had been achieved to date might be imperilled. This field offered an immense field for initiatives by the united party and the International. There was not, however, a minute, a single minute to lose. In the opinion of Mr. Tanassi, Secretary of the PSDI, the new party and the entire policy of the Italian Left-Centre should play its full part in the creation of wider political communities, starting with the EEC, the nucleus of a European and, ultimately, of a world design.

According to Professor Serafini, Secretary-General of the Italian Association for the Council of European Municipalities, the Europe which the united party could and should construct could only start out from the nucleus offered by the existing Community. The problem was how to develop it on sufficiently bold lines, to transform it into a truly democratic community open to those who accepted supranationality, raising it up as a pillar of peaceful co-existence and demonstrating by its success the rightness of the federalist approach to the final overcoming of the balance of terror. Mr. Zagari, Under-Secretary for Foreign Affairs, held that the united party should pattern its European strategy along the following lines : first, using socialist unity as lever to set up a European socialist party based on an overhauled International; secondly, working for a larger Europe, capable of acting as an equal partner to the United States, and for institutionalized relations between western and eastern Europe.

The constituent assembly then approved the declaration of principles, political action and organization. On the subject of Europe the declaration states : 'It (the United Party) is pledged to strive for the unification of Europe - economically, through the European Economic Community and its extension to Great Britain and the EFTA countries; politically, starting out from the election by universal suffrage of a European Parliament to which Community organs would be answerable. In the world of today the lack of European union left a vacuum which it was up to Socialists to fill in the interests of peace. (Avanti, 28, 29, 30 October, 1, 2 november 1966; Mondo operaio, September-October 1966) .

#### 5. Eighteenth Round-Table Conference in Hamburg

On 28, 29 and 30 October 1966 the eighteenth Round Table Conference on 'Germany in Europe today' was held in Hamburg. These conferences are arranged by the 'Gesellschaft zum Studium europäischer Probleme' (Society for

the study of European problems) whose headquarters are in Paris. Its members include politicians, industrialists, scientists and journalists from many West European countries.

The debates centred broadly on four basic reports :

1. Report by Stanley Henig on Great Britain and the German problem;
2. Report by Christian de la Malène on France and the German question;
3. Report by Mario Pedini on Germany and the European Economic Community;
4. Report by Wolfgang Schütz on Germany's position in Europe today.

Mr. Henig, member of the British House of Commons, stressed how important Germany had always been to England as a first line of defence and outpost. England had a corresponding importance for Germany. Reunification and the frontier problem remained the burning topics in the Federal Republic. These could only be solved as part of a European peace between Germany and the four powers on the one hand, and among the four powers themselves on the other. Mr. Henig saw a solution of the present standstill in the task of the 'force de frappe' on the part of Great Britain and France, in Britain's admission to the enlarged Common Market and in rethinking German policy towards the 'German Democratic Republic' and the Oder-Neisse line.

Mr. J. B. Hynd, member of the House of Commons, dealt with the relations between Germany and Great Britain at the end of the war when Great Britain had pleaded for recognition of a sound, democratic Germany. He went on to speak of the need for British membership of the Community, which was supported by 70 per cent of UK citizens. Great Britain's admission would not affect the political side of the Community. Britain did not want to join the Community purely for the advantages it might derive but because it was convinced that Britain could contribute to European progress.

Lord Gladwyn, chairman of the 'Britain in Europe' Movement, warned that the Germans could approach the Soviet Union separately with a view to their country's reunification. Arbitrary though the division between the Federal Republic and the DDR might be, the Eastern regime was already improving, and this trend would continue in the future. According to Lord Gladwyn, the soundest arrangement for Europe's immediate future would be for Britain to enter the Community, as in a Community that included Britain the Federal Republic could achieve political equality with other countries. If Great Britain failed to gain admittance in the next two or three years, it would have to link up economically and politically with the USA or other North Atlantic countries - a development which would aggravate the state of imbalance already existing in Europe.

Mr. Christian de la Malène, former Minister and Gaullist deputy, stressed that the German question was in French eyes the European question. Europe remained the key to peace. The solution lay in easing tensions between the East and West; for this reason Germany would have to set limits on its demands.

Mr. André Armengaud, member of the European Parliament, expressed highly pessimistic views on present-day Europe and on the position Germany occupied in it. The position taken up towards the Community by the various European States gave, in his opinion, the effect of a caricature. It was distinguished by resistance, isolation and defence of national interests. Against this background Germany's behaviour, too, was contradictory; on the one hand it called for a common coal policy, on the other it opposed a common energy policy for imports. It also rejected any concerted economic policy towards non-member countries and looked upon itself as the United States' favourite European partner. This Europe, which he described as a 'dust of nations' could become a united Europe, once large European companies had been formed, legal provisions harmonized, and the whole atmosphere so changed that Germany ceased to be a source of crises. France could help in this connexion by restricting its tendency towards independent diplomatic negotiations and by showing greater readiness to accept the EEC Commission's help and opinions.

Mr. Mario Pedini, member of the European Parliament, dwelt on the importance of the Community framework for the new Germany which had from the start regarded the Community as an instrument of economic and political rehabilitation. Since the Luxembourg compromise the Community had undergone certain changes. These included for example, a feeling of disappointment, particularly among the Germans, and an increasing tendency to adopt a pragmatic approach. The crisis suffered by the Community spirit could only be overcome by determined and responsible efforts to revive the idea of integration. Turning to the Franco-German Treaty, Mr. Pedini stated that a Europe based on a sort of Franco-German union was unacceptable. Not only political but also economic problems called for a Community-based solution. A case in point was the problem of coke and coal, a sector in which, whatever happened, Germany should not be disappointed.

Mr. Wolfgang Schütz, chairman of the 'Kuratorium Unteilbares Deutschland' (Board of indivisible Germany), expressed grave doubts about the present state of the European cause. Recalling the four great attempts to build a modern Europe (the Europe of the French Revolution, the Europe of the Holy Alliance, the Europe of Briand and Stresemann, and that of de Gasperi, Schuman, Adenauer, Spaak and many others), he attributed the crisis to the fact that the Europe built by the founders of the Common Market was a faint-hearted affair animated by fear of the communist threat and by the slogan 'everyone for himself'. In view of this failure, Mr. Schütz showed the way to a 'Fifth Europe' which would mainly be the concern of the younger generation

and be distinguished by its supranational character (1). That generation would have to awake to the need for a measure of pragmatism. It would also have to come closer to the countries of the Eastern bloc. Europe's future lay in becoming more outward-looking since by adapting itself to global politics it would forget its old squabbles and attain to higher things. It was such a broad-based Europe, which would not deny the right of self-determination to any country, that the German question would have to be solved. (Die Welt, 29 October and 2 November 1966).

6. Seventh Congress of the Social Democrat parties of the European Communities

On 17 and 18 November 1966 the Social Democrat parties of the European Communities met in Berlin to discuss the domestic and external problems of Europe.

In the opening address Mr. Willy Brandt expressed his determination to push through European development. The SPD would insist on progress wherever this was practicable. He attached great importance to economic and cultural relations with the peoples and States of the Eastern bloc, the magnitude of the issues at stake called for more than bilateral efforts. A common approach was today essential. The SPD felt certain that European union was needed for its own sake. It was also necessary for peace, in order to help ease East-West tension and to solve the German question. Mr. Brandt described the European moves of the British Government as a milestone on the road to a larger European Community. Acceptable transitional arrangements would have to be worked out for Britain and for the EFTA States.

Mr. Mansholt (Netherlands Social Democrat), Vice-President of the Brussels EEC Commission, pointed out, in the course of a speech that was given a good reception, that the concept of Europe was not covered by the six Community countries. The EEC's institutional structure should not, however, be sacrificed for the sake of an enlarged Community. Although the success of the Kennedy Round could ease trading conditions, it could not take the place of subsequent EEC membership. As regards the required economic contacts with Eastern bloc countries, the growing economic co-operation would not be checked by European countries governed centrally up till now under a political system rejected by the Six. The trend towards greater flexibility was leading to relatively independent national communist States which sought economic contacts and showed the first signs of political freedom of movement.

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(1) Wolfgang Schütz : 'Das Fünfte Europa' in 'Europäische Gemeinschaft', No. 12, December 1966, p. 2

Mr. Mansholt thought the German question was a central problem of future East-West policy. It ought now to be ascertained how right or wrong had been the post-war decision to admit Germany into a community of European peoples that wished to operate within a democratic structure and to make their contribution to the peaceful progress of the world. Set against the German need for reunification was the justified anxiety of Germany's neighbours about the shape of the future policy of a reunited Germany. These conflicting attitudes could only be reconciled in an integrated Europe.

Mr. Herbert Wehner, Deputy Chairman of the SPD, opposed the view that trends in French policy were the only obstacle to political progress in the Community. The problems of the European Communities in the policy of the parties must now be the affair of the people. Energy policy, transport policy and other European policy problems should be solved in the interests of the European family of peoples rather than by the attempts of individual countries to secure maximum advantages.

Mrs. Käte Strobel, Chairman of the Socialist Group of the European Parliament, submitted a report on the activities of her group over the last two years. She examined in detail the progress and setbacks experienced by the EEC during that period, and went on to describe the Socialist Group of the European Parliament as the most resolute political movement fighting against traditional nationalism and working for European integration. During the discussions it had been pointed out that nationalistic trends had recently increased in Europe. On the other hand, a point had been reached in economic integration from which there was no point of return for any Community member State.

On the basis of an address by Mrs. Elsner, SPD Bundestag member and Chairman of the European Parliament's Economic and Financial Committee, the Social Democrats discussed the EEC Commission's draft programme for a medium-term economic policy. The Congress adopted a detailed proposal for a resolution which can be regarded as the EEC Social Democrats' programme for a progressive economic policy, short-term economic policy and social and regional policy. The delegates welcomed the EEC Commission's draft programme as the first step towards closer and more rational political co-operation.

A further resolution dealt with Europe as a political entity, the Congress emphasizing that the advent of a European political authority, in spite of the many difficulties and setbacks of recent years, was and remained the aim of the Europe of the Community. The Social Democrats again confirmed that they were working actively and indefatigably for the creation of a federated Europe.

In the resolution on the Community's political aims it was again pointed out that the European Communities had political as well as economic objectives. The economic union of the Six was an important step towards political union but must be carried further and completed. It could not survive, however, unless the external policy interests of members were reduced to a common

denominator. Economic union alone demanded a broader-based political approach in place of irregular progress in isolated spheres. This in turn called for further development of the Community's political structure. The Congress therefore demanded that the impending steps should form part of a broader approach to integration :

- a) the setting up of a Council and of a Commission of the Communities;
- b) the merger and further elaboration of the Treaties;
- c) the strengthening of Community institutions, and particularly of the European Parliament, and general direct elections for the European Parliament;
- d) matters of technological policy to come within the competence of the Community;
- e) a uniform approach to the Community's external relations in keeping with its internal development;
- f) geographical enlargement of the Community in line with its political aims.

(Sozialdemokratische Europa-Korrespondenz, No. 5/1966, Seventh Congress of the Social Democrat Parties of the European Communities, (Resolutions); Europa-Nachrichten der SPD-Fraktion aus Bundestag, Europäischem Parlament und Europarat, No. 32, 22 November 1966; Frankfurter Allgemeine Zeitung, 18 November 1966; Industriekurier, 22 November 1966).

7. Sixteenth Ordinary Congress of the 'Europa-Union' of Germany in Baden-Baden

On 22 November 1966 the 'Europa-Union' of Germany held its Sixteenth Congress in Baden-Baden on 'Towards an integral Europe'.

Mr. Spaak, former Belgian Prime Minister and Honorary President of the European Movement, regarded it as a dangerous practice to pursue a policy towards the East through isolated initiatives. He criticized the 'lone wolf' policy of the French President because a policy towards the East could only be successful if initiated by an integral Europe. First of all the Atlantic crisis would have to be overcome. Mr. Spaak called upon the Germans to display greater efforts in their reunification policy. Instead of always relying on Western powers, the Germans would show a greater sense of reality if they asked the allies to show an understanding of the need for German action.

Mr. Majonica, CDU Bundestag member and President of the German Council of the European Movement, thought that the European States and Germany should try to surmount the ideological line of demarcation on a bilateral basis. Moreover, such a bilateral approach in Europe should be co-ordinated so as to guard against a parcelling out of Europe.



Mr. von der Groeben, German member of the EEC Commission, discussed the concept of a common and largely liberalized trade policy towards the Eastern bloc for the European Economic Community. This, he thought, offered the only chance for harmonization and liberalization in the East, including the Soviet Zone, and hope of a wider measure of self-determination for the citizens of East Germany. A common trade policy towards Eastern bloc countries was essential for the following reasons :

1. It would impart greater cohesion to the European Economic Community;
2. As the Eastern bloc countries practised a state-trading system, the West could not trade with them without calling in the public authorities. Within an organization as large as the Common Market such action could only be taken through Community institutions;
3. Such a common trade policy towards countries of the Eastern bloc was also necessary to ensure that the free movement of goods within the Common Market was not disturbed by goods imported from the Eastern bloc under bilateral arrangements.

Mr. von der Groeben thought that trends towards liberalization should be made the basis of a European policy on imports from State-trading countries. For this reason he called for (a) the adoption by the Six of a common liberalization list; (b) the restriction of the quota system to a minimum of products for which the danger of one-sided west European dependence on imports could not be ruled out; (c) the conversion of the national quotas of member States into Community quotas and the adoption of clauses designed to protect markets from disturbances caused by imports from the Eastern bloc.

At the end of the session, the Congress adopted the following resolution :

#### I.

1. Apart from the integration of Western Europe, the policy of European unification aims at a comprehensive European federation embracing all States reaching to the western frontier of Russia and enjoying relations on an equal footing with the United States of America and the Soviet Union.

The Community of the Six is the core and starting-point of such a federation.

A federated integral Europe means freedom and peace throughout Europe as a whole.

2. States with radically different social and political systems can exist side by side but cannot become federatively united. To establish a

federation between them they need not have identical constitutional provisions on property and the social order; they must, however, be legally constituted, guarantee human rights and exercise authority on the basis of democratic elections, involving free candidature and free voting. Such a qualitative change of system cannot be brought about by enforced isolation, by military pressure exerted by the free world, or by a violent reversal, but only by a progressive structural transformation.

3. The division of Germany is to some extent the division of Europe. So long as the ideological and socio-political division of Europe persists, the Germans in the 'DDR' will be unable to decide for themselves the future of their State. But even if this obstacle is surmounted, reunification of Germany will only be possible, in view of fears of German domination, if Germany becomes a member of a federated Europe. This would dispel such fears and at the same time ensure the existence and future of the German nation.

## II.

A policy geared to this objective can be based on the following factors :

1. The East-West conflict, despite all the changes that have taken place since Stalin's death, remains a matter of power, politics and an ideological and social reality. 'Liberalization' has brought only gradual improvements to the peoples of the East and is no threat to the system in force. Nevertheless polycentric trends have destroyed the monolithic character of the Eastern bloc and given it some margin for negotiating with the leaders in Moscow on external and economic policy.
2. The nuclear stalemate, the danger of proliferation of atomic weapons and the expansionist drive in China, have led the two major world powers to pursue a policy of easing tensions. This is reflected in Europe in a perpetuation of the status quo. However, if Europe takes its fate in its own hands, it offers a chance of reaching beyond this status quo and of creating a pan-European order.

## III.

The road to European unity is a long one. It leads from communication, through co-operation and integration, to federation. This applies both to the unification of Western Europe and to pan-European union.

1. Apart from the forms so far assumed by communication and technical co-operation in a number of isolated sectors, the existing situa-

tion already provides scope for closer relations between Eastern and Western Europe at personal, cultural, economic and political levels. Every opportunity should be taken to pass from the stage of communication to that of co-operation. Communication and co-operation should as far as possible be ensured by existing European organizations and institutions such as the Council of Europe, OECD and EEC. More numerous and more closely co-ordinated contacts between states and national organizations in the East and West would also be of great value. Such contacts should be co-ordinated especially within the context of the Franco-German treaty of friendship.

2. The EEC is already of great economic importance for Eastern Europe. Its importance will grow still further once the EEC's commercial policy towards non-member countries, and particularly towards those of the Eastern bloc, is fully applied. Such a policy must be geared to the pan-European concept already outlined, and must back the efforts of Eastern bloc countries to achieve economic independence and establish co-operation among themselves. Practical projects for the development of an pan-European infrastructure also come under this head.
3. Western Europe cannot take on these tasks of pan-European policy with any prospect of success unless it resolutely follows the road leading to Western European integration on which it set out with the creation of the European Communities, and unless it thwarts any attempt to weaken the Communities and their political aims. This also implies extending the Community of the Six to the other free countries of Western Europe. Another essential condition for a successful pan-European policy is the setting up as soon as possible of common institutions in the external and defence policy fields. The notion that a dynamic policy towards the Eastern bloc countries could be better conducted by a disintegrating Western Europe conflicts with reality and could at the most lead to the balkanization of the whole of Europe. On the other hand, the unification of Western Europe holds out prospects of escaping from the choice between nationalism or satellite status, dispels feelings of resignation and awakens hope.

#### IV.

A common West European policy towards the Eastern bloc is impossible without agreement on the aims underlying such a policy. Moreover, the Federal Republic must recast its policy in this sector - till now based on national attitudes - along pan-European lines:

1. The Federal Republic should lay greater emphasis than hitherto on the non-validity of the Munich agreement, taking into account the fundamental rights of Sudetenland Germans.
2. The German people must recognize that reconciliation with the peoples of Eastern Europe, and particularly the Poles, is more important than a revision of the Oder-Neisse line, and prepare itself for this sacrifice. Acceptance in international law of this sacrifice by the Federal Republic will be imminent as soon as its policy of reconciliation awakens a favourable response in Poland and questions connected with Germans still living beyond the Oder-Neisse line have been settled.
3. The Federal Republic of Germany should renounce any form of possession or sharing of nuclear weapons. This would not mean doing without anti-nuclear protection or having no say in military planning and in the utilization of such weapons on German soil.
4. The Hallstein doctrine is an effective means of defending the German people's right to freedom and unity. It remains, however, an instrument and not an end in itself. To enable Germany to resume diplomatic relations with the Eastern bloc countries and thus to cooperate more in putting into effect a West European policy towards those countries, the Hallstein doctrine should be applied at the opportune moment.
5. Recognition of the DDR as a State in its present form is ruled out. The policy outlined here for Europe as a whole does not require it. Similarly, all attempts to bring about a national rapprochement in the form of a separate policy aimed at a confederation linking together the DDR and the Federal Republic of Germany should be rejected as leading in the false direction. On the other hand, relations between the two parts of Germany calculated to give greater freedom and well-being to the people of the DDR should not be excluded. The same applies to the common policy of the Western powers towards the Eastern bloc. A legal solution to the problem of the territory of the DDR in a future European federation can only be sought in the light of actual developments. The closer Europe as a whole approaches to a democratic federation, the greater the scope the Federal Republic will have to settle this problem.

## V.

The idea of a united, integral Europe is today criticized as unrealistic owing to the existence of the Iron Curtain and of opposition existing between democratic and communist states. This would be the case if the idea had been thought up merely as an expedient, a project planned in advance stage by stage and to be

completed in the short term. This is not the solution here under consideration. An integral Europe is to be regarded as a long-term objective. Decades may have to pass before it is achieved, and no one can guarantee ultimate success.

Politics is the art of the possible, but it is also the art of rendering possible what is necessary. (Frankfurter Allgemeine Zeitung, 22 and 23 November 1966; Die Welt, 22, 23 and 24 November 1966; Neue Zürcher Zeitung, 23 November 1966; Europäischer Erziehung, December 1966).

8. Europe's world responsibilities - declaration by the European Movement

The International Study Conference of the European Movement, held at The Hague on 2, 3 and 4 December 1966, adopted unanimously (with one abstention) and issued the following declaration on Europe's world responsibilities :

' The Conference of the European Movement :

- a) points out that as from 1 July 1968 the European Economic Community will have to speak with one voice and therefore size up its world responsibilities, having regard to the important place it occupies at international level because of the size of its population, the diffusion and influence of its culture and the volume of its production and trade;
- b) is of the opinion that a united Europe could not confine itself to establishing a rich and thriving area, but would have to try to redress the imbalances - associated with a breakneck growth in population and ever-widening disparities between standards of living - which threaten the human race. It would have to contribute to the general progress of mankind by stepping up trade and development aid, and by working for the consolidation of peace.

1. Present state of Europe

The Conference cannot hide its grave concern about the priority again being given in Europe to national interests which are in open conflict with the preparation of Community policies or hamper their implementation.

It expresses its conviction, backed by fifteen years of experience, that Community methods have proved their worth, and is glad to note that the institutions of the Community have emerged successfully from the 1965 crisis with their creative drive and political aims intact.

## 2. Enlargement of the Community

The Conference welcomes the willingness expressed by Great Britain to enter the European Community. It regards this initiative as a major development of the European situation from which both Britain and the Six are destined to reap the benefits, particularly in the technological sector, as recently suggested by the British Prime Minister.

The Conference is convinced that these negotiations display Britain's acceptance of the Treaty of Rome as a whole, both in the letter and in the spirit, and hopes that they will be conducted as speedily as possible, as also similar negotiations which would then be opened up.

## 3. Atlantic partnership

As regards relations between Europe and the United States, partnership appears to the Conference to be the best means of solving monetary, industrial, commercial and development problems for which the United States and Europe are jointly responsible. To this end Community policy should be followed up in the Kennedy Round.

## 4. Relations with Eastern bloc countries

The Conference warmly welcomes the current rapprochement, particularly in trade, co-operation and cultural exchanges, between Western Europe and countries of the Eastern bloc. In its view, further progress in this direction requires the European Community to act as one, and the countries of the Eastern bloc to recognize the existing Communities.

It considers that any effort to bring Eastern and Western Europe closer together is calculated to facilitate settlement of the problems of central Europe and particularly of the division of Germany.

## 5. Development aid

The Conference is conscious of the dramatic developments taking place in the development countries and of the extent of the problems these are raising. It advocates greater and more closely co-ordinated intervention by the industri-

alized countries in the affairs of the developing countries, particularly by stepping up multilateral arrangements, of which association with the African and Malagasy States strikingly demonstrates the value.

## 6. Conclusion

To be able to carry out these tasks Europe must be free to pursue an independent European policy, commensurate with its responsibilities, within the context of Atlantic solidarity.

This implies enlarging the European Community by admitting into it other countries, notably Great Britain, so as to help give Europe its proper geographic scale, internal political balance, and the instruments it needs to round off its monetary and economic structures.

It also implies that Europe should invest itself with democratic political authority of its own to enable it, at the appointed time, to shoulder its responsibilities and shape its own future.

## 9. Conference of the European Union of Christian Democrats held at Rome on 18 December 1966

The chairmen and political secretaries of the Christian Democratic Parties of the European Community countries, met at Rome to study problems facing the Community. The proceedings were presided over by Mr. Mariano Rumor as President of the European Union of Christian Democrats. At the close of the proceedings the following statement was issued :

'The chairmen and secretaries general of the Christian Democrat Parties of the EEC countries, meeting at Rome on 18 December 1966 under the chairmanship of Mr. Rumor, and having heard the report by Mr. Illerhaus, chairman of the Christian Democrat Group of the European Parliament and member of the Bundestag, on the state of the European Community, confirm that the aim of the Christian Democrats is today, more than ever before, a politically united Europe, modern, free, democratic and integrated, free from nationalism in all its forms, whether traditional or resurgent.

The Conference considers it ought to make known the point of view of the Christian Democrat Parties both regarding institutional bodies and regarding the progress of Community policy and the Community's relations with the rest of the world.

At institutional level, the Conference maintains that the establishment of a single executive is an important step in the Community's existence and should therefore be taken as promptly as possible. At the same time it feels that the merger should not encroach in any way on the authority and the responsibilities of the present executive organs.

The importance of the decisions of the European Executives, and the extension of their authority, call for greater parliamentary supervision.

The Conference takes note of the notable progress made by Community institutions in a number of sectors :

- a) abolition of customs frontiers as from 1 July 1968;
- b) agreements on the common agricultural policy;
- c) introduction of a medium-term economic policy covering the period 1966-1970.

The Conference approves the EEC Commission's approach to the Kennedy Round negotiations, and hopes these will be promptly and successfully concluded.

The Conference considers it a matter of urgency to pursue the following objectives :

- a) harmonization of legal provisions, particularly in the fiscal sector;
- b) introduction of a common commercial policy towards non-member countries, including those of the Eastern bloc;
- c) more active pursuit of a common policy for the economic development of less-favoured European areas;
- d) introduction of a common social policy, and particularly overhaul of the European Social Fund.

The Conference underlines the dangers inherent in the technological gap separating the Six from the great powers. It sees bright prospects for the Six in technological co-operation and scientific research conducted on Community lines.

The Conference welcomes the turn taken by the United Kingdom's policy towards the EEC, a clear sign of the pull exerted by the ideal and institutional reality of the Community.

The Conference welcomes the development of a policy on association and collaboration in the spirit of the Treaties.



It considers that only a Europe built on Community lines can help to meet the needs and the appeals of the developing countries, and stresses its interest in a common policy towards Latin America.

The Conference regards such a Europe as the only means of ensuring participation by the entire free world, on a basis of equality, in the task of guaranteeing its security and prosperity.

The chairmen and secretaries general of the Christian Democrat Parties of the EEC countries invite the Community governments to display resolute political will with a view to overcoming present difficulties and achieving the aims laid down in the Treaty with an eye to ultimate political union. (Il Popolo, 19 December 1966).

10. Italian Foreign Minister Fanfani's visit to the Federal Republic of Germany

The Bonn visit of Italian Foreign Minister Fanfani on 20 December 1966 awoke a favourable response in Germany, and the communiqué on the talks between him and the Federal Chancellor spoke of a cordial atmosphere. The Italian Foreign Minister's remarks on the unification of Europe aroused particular interest in German circles. The Federal Government assured the Italian statesman of its interest in further bilateral collaboration with Italy, particularly in the technological field.

Agreement was reached on three points in which the Italian Government is particularly interested : (i) the easing of tension and an East-West dialogue on the reduction of armaments as the necessary prelude to a rapprochement of the two halves of Europe; (ii) co-operation between the USA and the European nations with a view to closing the technological gap; and (iii) exploratory talks aimed at relaunching the drive for European integration.

On the Italian side, the suggestion emanating from French sources that Mr. Fanfani intended to act as an intermediary was described as an exaggeration. All that he had done was to convey to Federal Chancellor Kiesinger General de Gaulle's wish for a resumption of the negotiations on European political union which had been interrupted four years earlier following the failure of the Fouchet Committee. Although Bonn showed some reserve on the subject, Italian observers stated that these negotiations should not be conducted merely at one or two levels, but at all levels and with all the countries concerned, as well as with the participation or association of a British representative. (Die Welt, 23 December 1966; Frankfurter Allgemeine Zeitung, 21 December 1966).



## II. ECONOMIC POLICY AND ECONOMIC SECTORS

### 1. The UNICE and European integration

On 22 November, 'l'Union des Industries de la Communauté Européenne' (The Union of the Industries in the European Community) published 'l'Industrie Européenne face à l'intégration économique et sociale' (European industry and economic and social integration) on the problems of bringing the Community into being. This is non-political ; it does, however, reaffirm a basic UNICE attitude : that the creation of the Common Market makes it indispensable

- a) to bring about economic union,
- b) to co-ordinate cyclical policies
- c) to introduce common policies in many sectors and
- d) to set Community machinery and policy instruments in motion.

The UNICE calls for 'a coherent industrial policy' ; it makes it clear that it is in the interest of 'European industry for European integration to come about in all those areas covered by the Treaties of Paris and Rome.'

With regard to trade between the member States, the publication argues that the abolition of customs duties must go hand in hand with progress towards a genuine customs union ; it refers specifically to the removal of technical and administrative obstacles to trade. The UNICE realizes that these obstacles will have to be abolished in gradual stages; as a first step it calls for arrangements for consultations between the Six whenever one of them makes changes or introduces new provisions. Stress is also laid on the introduction of industrial standards and on the 'urgency' of re-adjusting state trading monopolies.

Referring to relations with third countries, the UNICE deplored 'the increasing drawbacks resulting from the disparity between the trade policies of the member States, particularly with regard to the Eastern Bloc and the countries whose price levels are low' ; it called for the preparation, in good time, of the technical instruments necessary for the common trade policy ; it asked that during the transition period a more pronounced co-ordination of national policies should be initiated ; it asked that the Six should adopt a 'Community attitude' on the Kennedy Round ; it asked that a solution should be found to the problems of tariff quotas (which called in question the industry's supplies of raw materials and semi-finished products and, hence, their competitive position at the world level) and the harmonization of customs law. For the purposes of enlarging the EEC, the UNICE considered that the Community must favourably envisage negotiations with any European country ready to accept

the Treaty in full. The possibility of association could be accepted - unless there were over-riding political reasons to the contrary - only as a prelude to accession.

With regard to economic policy, the UNICE reaffirmed the need for a liberal economic system in the Community based on guarantees for private property and the freedom of the markets; it thought it desirable that the member States should already begin co-ordinating their economic policies. It advocated strengthening the solidarity of the Six in the sphere of international monetary relations and a concerted short-term economic policy at the Community level. The Community's recommendations with regard to short-term economic policy had to be 'more and more scrupulously followed by the member States and by the social partners.' The UNICE was also in favour of the EEC's medium-term economic policy programme which it regarded as a major adjunct to achieving a continuous and balanced economic expansion'. The UNICE particularly emphasized the need to give priority to the accumulation of capital intended for productive investment through a whole range of fiscal and economic measures.

With regard to social policy, the UNICE drew attention to the inter-relationship between social policy and economic development ; it repeated its assertion that the Treaty 'limited the Commission's scope in the social sphere to objectives considered indispensable to the realization of the economic union'. The UNICE agreed, however, that in future 'neither governments nor social partners will be able, any longer, to base social legislation and economic policy on exclusively national considerations ; they will also have to gear them to the Community interest'. The task of the Commission consisted primarily in making comparative and analytical studies. It had to ensure that the social policy aims, which member States feel able to achieve, are co-ordinated instead of indicating objectives incompatible either with political options or the economic possibilities of the member States.

With regard to the structure of industry, the UNICE called for

- a) the creation of production units 'able to win their way and make their mark on the world markets',
- b) co-operation between enterprises,
- c) the harmonization of company law and
- d) the creation of a European-type enterprise.

With regard to fiscal harmonization, the UNICE was in favour of the added value tax, of abolishing double taxation and of removing fiscal obstacles to the merger. The UNICE also repeated its support for creating a European patent.

With reference to the European capital market, the UNICE argued that once the watertight compartments around markets were broken down, better use could be made of the financial resources available for investments and supply would increase. Industry asked that it should not be placed at a disadvantage

as compared with the public sector with regard to access to the capital market ; it stressed the need for the stability of rates of exchange within the Community.

With reference to scientific and technical research policy, the UNICE pointed out that European industry was concerned by the technological gap between the Community and the United States, a gap which was growing all the time. The UNICE felt that 'action must be taken at the Community level' both in fiscal matters and in regard to documentation ; it advocated the adoption of the American system, whereby research contracts are awarded to industry, a reasonable competition policy and exchanges of research workers.

With reference to the policy for regions and sectors, the UNICE considered that the regional policies of the member States had to be co-ordinated at the European level and common rules laid down with regard to interventions. Industry was, in general, opposed to any specific policy in favour of certain branches, except in the case of quite special situations. Even studies into individual sectors should be conducted with great prudence and not be published before the sectors concerned had been consulted.

With regard to the common transport policy the UNICE confirmed its support for a liberal policy, both as regards access to the occupation and to the liberalization of markets and price policy. (Agence Europe, 22 November 1966)

## 2. For a European scientific and technical research policy

Many voices are being raised in the Community calling for Europe to bridge the scientific and technical research gap. Mr. Petrilli, for example, has suggested a European research and occupational training plan; Mr. E. Hirsch has stated his views on Mr. Wilson's proposal to create a European technological Community ; and in the French National Assembly many members have called for the implementation of a European scientific and technical research policy.

On 15 November, at the Italian Agricultural Institute in Paris, Mr. Petrilli, President of the IRI (Industrial Redevelopment Institute) spoke of Europe's chances of catching up with the United States in the research which fashioned further industrialization.

'It is sufficient, he said, to look briefly at the experience gained so far in the European Communities as regards co-ordinating the national effort in scientific and technological research to show clearly the political responsibilities that fall to the European leadership as a whole. We are thinking, above all, of Euratom which was originally conceived as the instrument of a common research policy . . . .

The concern about energy supplies occasioned by the Suez crisis was dissipated at the same time as any hope of setting up a genuine common energy policy ; this was enough to induce the member States to return to the restrictive concept of national interest, with the result that the Treaty became more and more ineffective.'

Professor Petrilli considered that the experience of the Common Market had hardly been more encouraging than that of the two specialized Communities : ' It has been rightly said, that the lack of any provisions on a common scientific and technological research policy in the Treaty of Rome is sufficient in itself to prove how much things have changed in less than ten years. This and the difficulties that have beset attempts to implement a common occupational training policy - for which there are still no appropriate intervention instruments - proves, in fact, that it has not yet been realized how urgent it is for a joint effort to be made in these key sectors.'

What was the remedy to this state of affairs. ' In any event, replied Professor Petrilli, it would be wrong to think in terms of sector by sector interventions; scientific and technological research play an essential part in economic expansion to-day and it would not be possible to conceive of a programme in this sphere which took no account of the general direction of economic development. In our opinion this policy should, on the contrary, be the core of a medium-term economic plan for Europe because the choices made in this sphere are the origin of all other options, beginning with those related to teaching and occupational training and those related to the balanced development of infra-structures.'

One thing is, in any event, certain, writes the editor of 'Le Monde' : everywhere in Europe the question is beginning to be asked. Some time ago Mr. H. Neuman of la Société nationale d'investissements (the National Investment Company) of Belgium was also asking how could large European enterprises be created - the large European enterprises that would, in the opinion of Mr. Petrilli, be the privileged instruments of the 'new industrialization'.

' In view particularly of the shortage of capital in relation to the needs, one might, he said, think of creating a European development (or investment) company. Working in conjunction with the European Bank, such a company could contribute to the supply of association capital to our industries, without claiming control. If capital could be subscribed both by the States and by private and public enterprises, it could also become an active centre for comparing viewpoints and for the study of projects of European interest.'

For his part Mr. Etienne Hirsch, former President of the Euratom Commission, commented in 'Le Monde' on the proposal made by Mr. H. Wilson, British Prime Minister, on the creation of a European technological Community. Mr. Hirsch observed that no one today disputed the fact that the West European countries would be unable to maintain or rather to regain an honourable place in the race for technical progress if they worked in isolation. The

lack of financial resources and especially the lack of qualified men made this impossible. Specialization was no solution, with the interdependence of sciences and techniques growing daily.

He considered that an attempt should be made to draw the conclusions from the experiments in progress before trying to determine the conditions that had to be met so as to give the enterprise the maximum chance of success.

Firstly there was a law which applied to all financial operations involving contributions by several Governments : 'Each Government wishes to get back, in the form of contracts awarded or expenditure made in its country, the share that it has paid into the joint fund. It is because of this law that Euratom found itself obliged to scatter research work between more centres than efficiency really allowed. This is also why it was obliged to award contracts to firms in country 'B' less qualified than firms in country 'A'. The European rocket comprises three stages, one of which is entrusted to each of the three main participating countries, whereas, rationally, the work should have been split up quite differently. The European Agricultural Guidance and Guarantee Fund was the subject of fierce disputes when, because of wheat, France got back much more than she paid in ; the difficulties were only overcome when products affecting other countries were brought in, including in the last instance, olive oil for Italy . . . . This custom requires an institution to embrace a sufficiently wide and varied sphere for it to be possible fairly to distribute establishments, contracts and orders between the various participating countries in terms of their capacities or their real vocations. Narrowly specialized institutions are unable to work like this and the result is a dispersion instead of a concentration of efforts. This is why the 'Europe à la carte' advocated by my friend, Louis Armand, and which would consist of drawing up a series of agreements of specialized bodies, seems to me to be the opposite of what is required.'

Secondly, Mr. Hirsch stressed that it was essential to dovetail pure research and technological research. 'To conclude, technology coupled with science cannot develop on its own. It is closely dependent on the training of research workers and technicians of all kinds and on the possibilities of industrial co-operation. Its basic policy, its priority aims and the resources at its disposal are related to the requirements and the possibilities of the economy as a whole, and are one of the constituent parts of a European economic plan. We must, at all costs, avoid making technological research into a separate entity which has no organic links with the other European institutions.

The disadvantages of the co-existence of three distinct European Communities have already been recognized and whatever accidents may befall on the way we are moving towards the merger of the Executives and then towards that of the Communities.

Let us therefore avoid creating a fourth Community. It would be the more unfortunate because in all probability Euratom is to become one of the branches

of a European technological organization which must itself have its place and a place in the forefront in the structure of the European Community.'

In the debate in the French National Assembly on 30 November, when the subject under discussion was setting up research bodies, Mr. A. Peyrefitte, Minister delegate responsible for scientific research and nuclear and space questions, stated that 'there is no country as desirous as France of developing European scientific and technical co-operation. In March of last year, France took the initiative with a view to promoting and co-ordinating the scientific and technical research of the Six countries of the Common Market. What is still needed, the Minister stressed, is for our partners to feel as strongly as we do the need to co-operate. There is evidence that this is being realized.'

Mr. D. Catroux (UNR), Chairman of the Committee for Research and Cultural Affairs of the European Parliamentary Assembly, stressed that multilateral agreements often provoked less criticism than bilateral agreements. 'Thus, in Euratom, when difficulties have appeared, whether in connexion with the second financing plan or the third financing plan, a majority view has emerged and agreements have followed.' The speaker then drew the attention of the Assembly to Euratom's present situation.

'In the administration of this Community, it is going to be necessary for us to resort to the system of provisional twelfths because we have been unable to agree with our partners on a whole range of projects. This will, of course, inevitably mean delays in the completion of projects and agreements that we have signed with certain scientists for special projects are liable to be compromised.

The French Government, whose European spirit is so often wrongly doubted, was therefore right in proposing a research co-operation agreement to our Common Market partners. On the Council of Ministers of the Common Market France must remain the leader it has always been in the past, and it must ensure that Euratom's mission and its future, after the merger of the Executives, are made quite clear. It would be a disaster if such centres as Ispra were to have their future and their work to date called into question or for the Orgel Project to be called into question notwithstanding its promising start or that research of every type, especially medical and biological research, which is a matter of national and Community concern, should be interrupted.

I am convinced that the medium-term programme, which the EEC study committee has submitted to the attention of the Governments, could be a basis for satisfactory studies with regard to the general direction of the Common Market. It would enable us, at some future date, if not to compete with the USA and the USSR, at least to take part in a suitable manner in the great adventure of our century by harnessing efficient scientific research to safeguard the development of our industry and future of our economy.'



Mr. F. Mitterand (Rassemblement démocratique), discussing the relationship between Europe and research, stressed that the crisis in the European organizations had arisen, in particular, over the problem of nuclear research. He added : 'I cannot see how the Community techniques and the Community economy can be sound if the Community policy is not sound also. Indeed if we check our thrust towards the political Europe, it will be hard to expect our European partners to demonstrate any great willingness to participate in the realization of the various aspects of technical, scientific and economic Europe.'

Mr. De Lipkowski (UNR) considered that the economic and, hence, the political future of Europe was dependent on the development of research. Yet Europe's leeway in this sphere had reached dramatic proportions and it was tending to get worse. The speaker observed that the Treaty of Rome made no allusion to a common scientific policy which was at present possible only for coal and steel and for the nuclear sector. Mr. De Lipkowski stressed how slowly the working party on scientific and technical research set up by the EEC Commission was progressing ; he drew attention to Germany's diffidence and recalled the French Note of March 1965, addressed to the EEC Council of Ministers, on the elaboration of a common scientific and technical research policy. Mr. De Lipkowski considered that a political choice was involved: did the Six wish to implement a concerted research policy in Europe in order to face the United States together or not. Europe's efforts, however great, were liable never to counter-balance those made by the United States. Consequently if the European economies were to have key industries in the world class and if they were to go in for advanced technology without coming under American tutelage, an attempt had to be made to double Europe's efforts through agreements with the Americans, so that these efforts were not in vain. An opportunity presented itself for conducting such negotiations with the Americans and Europe must seize it ; this was the Kennedy Round where Europe had the means of exchange. It would be well to raise the whole question of research on the Kennedy Round and to couple customs dismantlement measures with solutions that might later be found for trade or the distribution of techniques.

By coupling customs dismantlement with research, we should increase our chances of seeing the United States accept a more constructive attitude. The problem of licences should be raised to the level of Kennedy Round discussions. Europe should ask that as duties on finished products are cut, it should, at least in certain sectors, have the opportunity to use key American techniques at competitive prices for these duty reductions will increase the USA's exporting opportunities in Europe.

The purchase of a licence without trade was already a delicate operation ; the reduction in protection rates would increase these difficulties. At the same time it would be desirable for Europe to make an effort to try to scale new heights - as compared with the Americans - in certain key industries where Europe appears to be in strong position. (Le Monde, 17 November, 25 November 1966. J.O. AN Débats 1 December 1965)

### 3. Italian industrialists and the Kennedy Round

On 21 October Dr. Angelo Costa, President of the General Confederation of Italian Industry, delivered an address on the Kennedy Round in the course of the first seasonal meeting of the American Chamber of Commerce in Italy held at Milan.

He began by recalling how, after the economic and moral devastation wreaked by the war, Europe had been able to rise again only thanks to American aid. Although it might be questioned whether the funds provided had always been judiciously spent, there was no doubt that the advantages reaped went far beyond the aid granted which had made it possible to use labour and plant that would otherwise have stood idle.

The Kennedy Round should be regarded as a continuation of the United States' policy of aid to Europe and to all countries. It marked the transition from direct aid to creating conditions that would enable all countries to move forward under their own steam. The reciprocal 50 per cent reduction agreed in customs tariffs was an empirical concept, but in certain situations either empirical decisions were taken or no progress was made at all. The 50 per cent reduction was indeed the only means by which any progress could be made.

Two main difficulties had to be dealt with. First and foremost, certain sectors felt themselves directly threatened by the possible 50 per cent customs tariff reduction and had therefore asked to be excluded from the negotiations. Now, unless such exclusion were allowed only exceptionally and in the barest minimum of cases, the general effect would be to lose sight of the general welfare in an attempt to cushion the damage suffered by individual sectors. Secondly, if a 50 per cent reduction were applied indifferently to prohibitive US tariffs and to Community tariffs that were barely protectionist, the net result would be to leave a prohibitive tariff in force in the United States and to abolish any form of protection in Europe.

The Kennedy Round involved both industrial and agricultural problems. As regards the latter, the EEC would have to ease the tariff burden to assist developing countries that were suppliers to the Community. In the industrial sector tariff policy was more complex owing to the increasing burden of advance costs (investments) as compared to production costs. A distinction should also be made between average costs and additional costs. Obviously an industry that could call on a large internal market, and could therefore engage in large-scale production - for instance, the chemical industry - would be able to step up output still further and export at additional cost - a cost related not to the quantity obtained at average unit cost but to any unit produced over and above this at rapidly decreasing costs.

Without such a policy aimed at facilitating trade and widening the scope for work and exports, the preservation of peace would be an arduous task.

'Everybody,' concluded Dr. Costa, 'talks about peace ; but peace can only come about when we establish it within our families and between individual nations by reconciling the social classes. Not all who advocate peace want it in the social sphere in individual countries.' (Il Sole - 24 Ore, 22 October 1966)

4. Committee of Professional Agricultural Organizations (COPA) and the common agricultural policy

The Presidents and Managers of the Professional Agricultural Organizations and institutions of the Six met at an extraordinary general assembly of COPA (Committee of Professional Agricultural Organizations of the EEC) at Amsterdam on 1 December 1966 under the chairmanship of Mr. Knottnerus.

At the close of the proceedings the meeting approved a resolution stating that the economic integration of the Six called for corresponding progress in the political sector. The meeting was fully alive to the difficulties encountered by farmers following the amendments curtailing the transitional period. It was therefore essential to tighten the bonds existing between the Community's agricultural organizations and to make better use without delay of all the professional means available with a view to endowing agriculture with the weight it needed under new market conditions. A report should be drawn up each year on the economic and social situation of farmers and of agriculture. The Council should fix the common prices annually on the basis of that report which should be submitted by the Committee. The report should be available for the first time in 1967 and the professional organizations should be given an opportunity to comment both on the report and on the anticipated prices.

As regards the negotiations in GATT, these should on no account affect the agricultural prices to be fixed annually by the Community. The common prices fixed in 1964 and 1966, which took no account of the criteria laid down in Article 40 of the Treaty and had been fixed in the light of data since superseded, would only come into effect between July 1967 and July 1968. They should therefore be reviewed in the light of trends in the cost of productive factors.

As regards international trade, a solution could not be found at commercial and tariff level. To obtain lasting results, the international markets would have to be overhauled mainly by harmonizing national agricultural policy systems at international level.

The resolution recognized the difficult problems that would be raised by enlarging the Community with a view to abolishing the harmful economic division of Europe. As far as agriculture was concerned, such an enlargement should be subject to a number of conditions :

- a) an assurance that the aims of the Treaty relating to raising the living standards of agricultural workers would never be called into question ;
- b) an opportunity for the countries concerned to harmonize their agricultural policies with that of the EEC in the course of a reasonable transition period ;
- c) the establishment of an overall balance among the various economic activities with a view to promoting smooth progress of the economy and of the various areas of the Community.

The resolution pointed out that if the Community entered into association agreements or bilateral agreements in a haphazard way, this could disturb both agricultural policy as a whole and the equilibrium between the various agricultural interests in the Community.

On social policy the aim should be to strive for a balanced structure of the rural population. For this purpose the resolution recommended :

- a) setting up an adequate number of occupational guidance and retraining centres in rural areas ;
- b) prompt approval by the Council of draft Regulations Nos. 503 and 504 and of the credits needed to put them into effect (1) ;
- c) co-ordination of measures in the EEC aimed at helping young farmers to take over the running of farms, and of provisions enabling of eligible age, or those working on farms incapable of showing an adequate return, either to secure a fair pension tied to the official price index (moving scale) or to switch to other activities ;
- d) making available non-agricultural occupations in given areas so as to ensure a balanced pattern of the population and of regional life.

The resolution closed by advocating the introduction of a new system of ensuring the social protection of agricultural workers by means of specialized mutual associations or co-operatives or of bodies in which farming representatives can play an adequate part. Such a system should not however be such as to increase the social charges already difficult to cover from low agricultural incomes.

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(1) Community contributions towards the occupational retraining of persons who desire to switch over to another occupation while remaining in the agricultural sector (503).  
Contributions for facilitating the specialist training information service advisers to agricultural workers (504).

### III. EXTERNAL RELATIONS

#### 1. The Spanish Minister for the Development Plan and the integration of Spain in the Common Market

Mr. Lopez Rodo, Minister for the Development Plan, interviewed by 'Le Monde' dealt at length with Spain's integration in the Common Market. In answer to a first question, Mr. Lopez Rodo, made clear that the reply given to Spain's request would have a bearing on the preparation of the second development plan to come into force in 1968 : 'Spain's development' will continue even if no agreement with the Common Market is signed, but its emphasis and nature will differ according to the answer given. The more closely Spain is involved in the European economy, the greater will be the advantages gained from specialization and mass production and the greater, consequently, will her growth rate be. The development of the different sectors will also vary according to the scale of the links between Spain and the Common Market : the closer these are, the greater will be the importance assumed by the exporting sectors.'

'Attention must be drawn however to the uncertainty that the delay on the part of the EEC, in deciding on Spain's request, has cast on the industrial prospects of our country. It has also to be remembered that the Spanish economy's basic emphasis ought logically to lead to its integration within the economy of the Community (over a 5 year period Spain's exports to the Six have quintupled from \$300m. in 1959 to 1,500m. in 1965). If this integration is not to be anticipated, it will become very difficult, in the long run, to pursue a policy which has recently been characterized by a growing deficit of our balance of trade and balance of payments.'

With regard to the form that links between Spain and the Common Market should take, the Minister said : 'The report drawn up by the Common Market Commission on the talks with Spain recognized that the desired objective, both for my country and the EEC, would be a phased integration. The report proposed that the Council of Ministers of the Community should authorize studies and negotiations on these possibilities with Spain. There are two possible solutions in which these negotiations could culminate and - I should like to emphasize this point - both these solutions would lead to the same end : integration.'

The Spanish Government has stated on several occasions that the idea of a trade treaty with the Common Market does not seem adequate. It wishes to obtain either partial or complete integration. We have before us all the time we need so that our economy, like that of the EEC, can make the necessary adjustments. I believe that here the interests of Spain and those of the Common Market dovetail perfectly'.

Mr. Lopez Rodo then emphasized that 'the majority among Spanish management is in agreement with the Government. They seek the fullest possible integration with Europe and want this to come about gradually and within appropriate time-limits. They do not wish to remain on the outskirts of Europe ; there are not only economic reasons for this but also historic and cultural reasons. They will need, of course, to bring their industries into line with the new circumstances brought about by integration : keener competition and larger markets.'

Lastly, in answer to the question whether the 'organic democracy' of the Spanish State was an obstacle to Spain's integration with Europe, Mr. Lopez Rodo said : "These differences should not constitute an obstacle. The organic law of the State brings us into line with Europe. It is difficult to say whether the differences between the new constitutional law adopted by the referendum of 14 December and the French constitution is greater or smaller than the difference between the latter and the Italian constitution. There co-exist, within the Common Market, monarchist and republican constitutions, the French unitary constitution, and the German Federal constitution, the French presidentialism and the German parliamentarianism ; all this proves that today we need to be realistic, each country trying to find its own formula and this is why economic integration is going forward between the countries whose political systems differ.' (Le Monde, 27 December 1966)

## 2. Germany and Spain's association with the Common Market

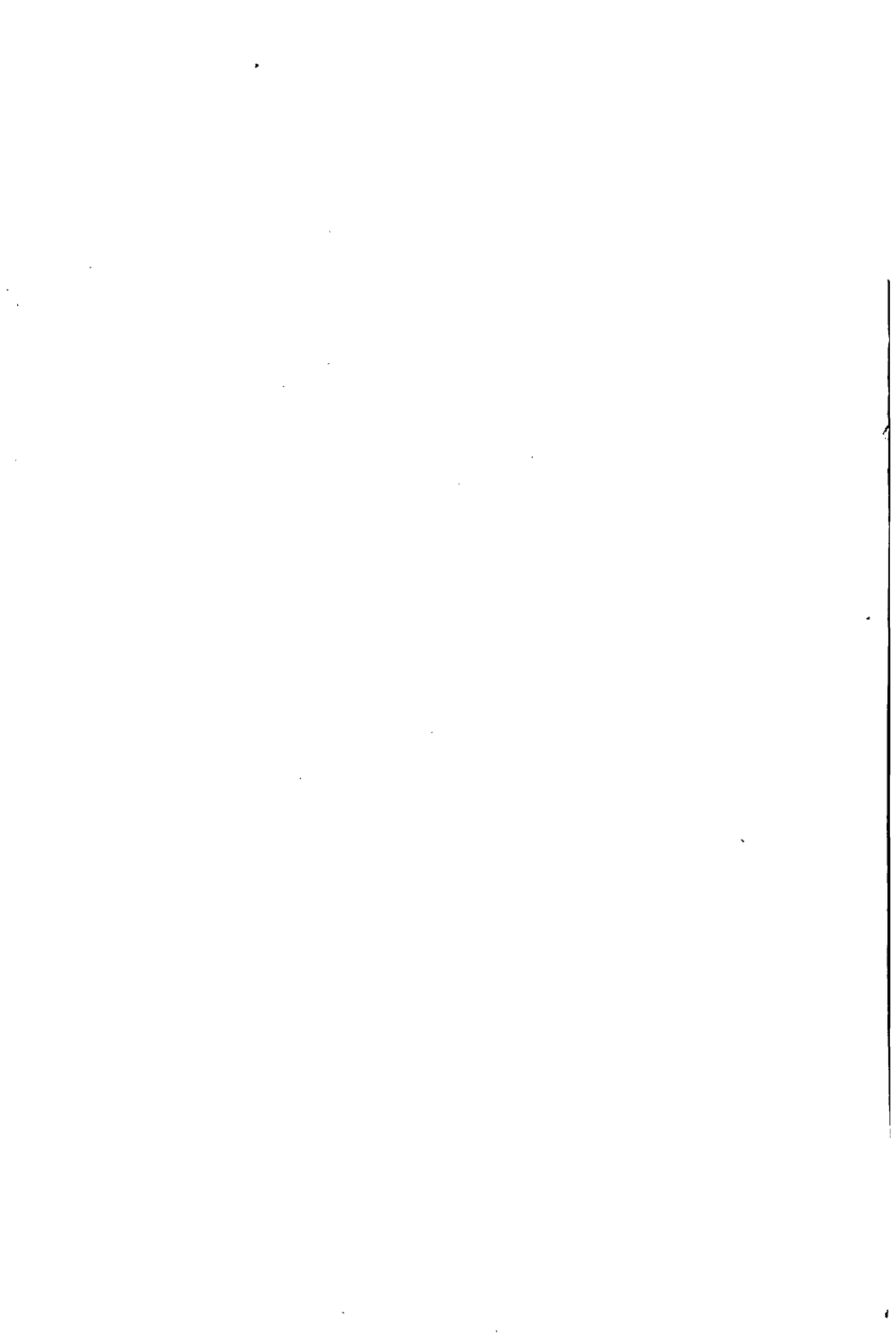
In a letter to Professor Hallstein, President of the EEC Commission, the former Federal Foreign Minister, Mr. Schröder, complained of the delay in dealing with the Spanish application for association with the Economic Community. As confirmed by the Federal Foreign Ministry on 23 November, Mr. Schröder had dispatched his letter in the middle of the month. In this he had requested Professor Hallstein to submit the written report on the EEC Commission's negotiations with the Spanish Government to the Council of Ministers of the Economic Community.

On 5 December Mr. Castiella, Spanish Foreign Minister, gave a dinner in honour of State-Secretary Lahr of the Federal Foreign Ministry. This was attended by high officials of the Spanish Foreign Ministry, by Mr. Lopez-Bravo, Minister for Industry, and by other representatives of industry in Spain.

In a subsequent interview given to German press correspondents, Mr. Lahr pointed out that the position taken up by German external policy towards an agreement between Spain and the EEC - backed both by the Federal Government and by France - would not change even after the reshuffle in the Federal Foreign Ministry in Bonn. He added that Mr. Brand, Federal Foreign Minis-

ter, had told him shortly before his departure for Madrid that he intended to follow on with the approach so far adopted in Bonn in favour of an agreement between the Council of Ministers in Brussels and the Madrid Government.

Mr. Lahr felt that Spain's association with the Common Market was desirable if only because it would stimulate political and economic progress in that country which would thus become an even more important trade partner. He believed the Benelux countries were now showing signs of being less reluctant to admit Spain into the Common Market. Like Bonn, Paris was adopting a positive attitude to the whole question. (Frankfurter Allgemeine Zeitung, 7 December 1966)





PARLIAMENTARY ACTIVITY

I. EUROPEAN PARLIAMENT

a) Work of the Committees in December 1966

Political Committee (1)

Meeting of 5 December in Brussels : Discussion preliminary to the drafting of the report by Mr. Dehousse and problems concerning the policy of the Communities vis-à-vis third countries and international organizations.

Review of the Committee's working programme :

- a) with reference to the mandate given to the Political Committee under the Resolution of 18 October 1966 (appended to the General Report of the Ninth General Report on the activities of Euratom) Mr. Schuijt was appointed Rapporteur;
- b) Mr. Edoardo Martino was asked to draft a note (to be referred to the Commission) for the attention of the Bureau of the Parliament on the latter's intervention in the procedure laid down in the EEC Treaty for the conclusion of international agreements with third countries, unions of State or international organizations;
- c) Mr. van der Goes van Naters was asked to draft a fresh report on problems connected with organizing co-operation between the European Parliament and the Parliament of third countries with which the Communities have concluded international agreements.

Joint meeting with the External Trade Committee on 6 December in Brussels:

Discussion on the negotiations in progress between the Community and

a) Spain, b) Israel, c) the Magreb countries : Mr. Edoardo Martino and Mr. Pedini took the chair and Mr. Rey was present.

## External Trade Committee (2)

Meeting of 6 December in Brussels : Examination of the state of the world steel market and the work of the High Authority in this sector (Rapporteur : Mr. Bech); Mr. Raynaud, a member of the High Authority, was present.

Discussion with a view to drawing up the Opinion to be referred to the Political Committee on relations between the Community and third countries and international organizations. (Rapporteur : Mr. Rossi)

Review of the state of progress with the Kennedy Round.

Discussion preliminary to the drafting of a report on the approximation of laws on export drawbacks (Rapporteur : Mr. Vredeling).

Examination of the amended EEC Commission proposal to the Council and regulation on the phased introduction of a management procedure of import quotas (Rapporteur : Mr. Vredeling).

## Agricultural Committee (3)

Meeting of 7 December at Brussels : First exchange of views on problems connected with the conclusion of a world agreement on sugar.

Initial discussion on amendments to the proposal for a Council regulation amending Regulation No. 26.

Oral report by Mr. Richarts and discussion on an EEC proposal for a regulation amending Regulation No. 14/64/EEC as regards determining the import price of, and calculating the levy on, products in the beef and veal sector.

Oral report by Mr. Estève and discussion on proposals submitted to the Council by the EEC Commission on directives concerning measures against (i) potato wart; (ii) the root celworm.

## Social Committee (4)

Meeting of 6 December in Brussels : Resumption of study of the EEC Commission's proposal to the Council for a regulation on the application of social

security systems to denizen workers and their families in the Community (Rapporteur : Mr. Léon-Eli Troclet).

Introductory report by Mr. Carcaterra and discussion on the EEC Commission's proposal to the Council for a regulation on the harmonization of certain social provisions in the road transport sector (Rapporteur : Mr. Carcaterra).

#### Internal Market Committee (5)

Meeting of 5 December in Brussels : Examination of and vote on the draft Opinion by Mr. Tomasini to be referred to the Health Protection Committee on the draft directive concerning colorants used in pharmaceutical products; representatives of the EEC Commission were present.

Discussion with the High Authority on the current state of the steel market and on the outcome of the meeting of the Special Council of Ministers of 22 November.

Examination of the Opinion of the Legal Committee on petition no. 1/1966-67 made by Mr. Louis Worms requesting compensation for prejudice suffered at the time of the scrap-iron irregularities.

Meeting of 20 December in Brussels : Examination of and vote on the draft report by Mr. Berkhouwer on a draft directive concerning the suppression of electrical interference caused by motor vehicles. Representatives of the EEC Commission were present.

Resumption of the study of the state of the steel market and of the outcome of the meeting of the Special Council of Ministers of 22 November 1966. (Rapporteur : Mr. Blaisse). Representatives of the High Authority were present.

#### Transport Committee (8)

Meeting of 5 November in Brussels : Examination resumed of the draft report by Mr. Jozeau-Marigné on the EEC Commission proposal to the Council on a directive concerning the standardization of regulations on the duty free entry of fuel in the tanks of commercial vehicles. Discussion on the EEC Commission proposal to the Council on a regulation concerning the approximation of certain social security provisions affecting road transport (Rapporteur : Mr. Laan).

Resumption of the discussion on the outlying report drawn up by Mr. Carcaterra on the plan for an international Rhine Shipping Union (UNIR) and the introduction of regulations on the capacity for transport by navigable waterway.

## Research and Cultural Affairs Committee (10)

Meeting of 19 December at Brussels : Perusal and approval, in the presence of Mr. Carrelli, Vice President, and Mr. De Groote, member of the Euratom Commission, of Opinion drawn up by Mr. Battaglia for the Political Committee, which is responsible in the matter, on the characteristics and specific functions of Euratom following the merger of the Executives.

## Health Protection Committee (11)

Meeting of 20 December in Brussels : Perusal, in the presence of the EEC Commission, of Mr. van der Ploeg's draft report on the EEC Commission's proposal to the Council concerning a directive for the approximation of Member States' legislation on substances that may be added as colorants to pharmaceutical products, and appointment of Mr. van der Ploeg as drafter of a supplementary report.

Examination and adoption, in the presence of the EEC Commission, of Mr. Hansen's draft report on the prevention of industrial accidents in the Community.

Discussion with the EEC Commission on the application of the right of establishment for activities in the field of health (Rapporteur : Mr. Santero).

Appointment of Mr. Bergmann as Rapporteur on report on the activities of the Mines Safety Commission for the period 1961-65.

## Legal Committee (13)

Meeting of 7 December in Brussels : Resumption of study of the second part of the draft working paper drawn up by Mr. Bech, relating to the European Parliament's regulation.

Discussion of consultation of the European Parliament by the Executive in the event of amendments to proposals already submitted to the Council (Rapporteur : Mr. Jozeau-Marigné).

b) Parliamentary conference of the Association

The third meeting of the Conference (Abidjan, 10-14 December 1966)

The 3rd meeting of the Parliamentary Conference of the Association set up by the Yaoundé Convention was held in Abidjan from 10-14 December 1966.

The Conference re-elected the retiring President, Mr. Lamine Gueye (Senegal) and constituted its bureau which now composes nine as opposed to the previous seven Vice-Presidents. After the speech made by Mr. Lamine Gueye, who thanked the Ivory Coast for the welcome it had extended to the Conference, Mr. Poher, First Vice-President, took the floor.

He began by recalling that the Conference, which had sprung from a generous initiative had become a well-trying experience. To come to Africa, he said, enabled Europeans to realize how essential their union, in other words their common vocation, was.

The following then spoke, Mr. Philippe Yacé, President of the National Assembly of the Ivory Coast and Mr. Denise, representing President Houphouët-Boigny. The latter enumerated the measures that had to be taken as a matter of urgency : guarantees of markets for African products, the stabilization of raw material prices, a cut in the costs of middle men, a reduction in the consumer tax charged by the Six on tropical products and lastly the appropriation of part of the income from these taxes to increase and stabilize prices. In his opinion the Association should not be restricted to pursuing purely mercantile ends but should provide a collective answer to the problem of underdevelopment.

Mr. Ebagnitchie, a member of the Ivory Coast Parliament submitted a report (1) on the annual management accounts of the Conference and the provisional estimates for 1967. Then the President-in-Office of the Council of Association Mr. Konan Bedié (Ivory Coast) made a statement on the second annual report on the activity of the Council (2). He noted there had been an improvement in relations between the institutions and an improvement in trade. Another success had been the association of Nigeria.

The President-in-Office of the EEC Council, Mr. De Block, discussed the problem of taxes on tropical products and explained why it was difficult to abolish them.

Mr. Sissoko (Mali) then submitted a report (3) for the Joint Committee on the second annual activity report. He drew attention to the deterioration in the terms of trade for the African and Malagasy States and to the reduction in

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(1) Doc. 11/1966-67

(2) Doc. 9/1966-67

(3) Doc. 12/1966-67

financial aid. The economic imbalance was liable to breed a new struggle between international classes. The solution lay in a co-ordination of efforts to grant credit facilities to the underdeveloped countries, promote technical cooperation and avoid discrimination between the States. The Association should serve as an example of how the problem of underdevelopment could be solved.

The debate on the latter report was then open to the floor. Mr. Furler (Germany) spoke first. He anticipated that the Conference would impart a fresh impetus to the Association.

Mr. Vendroux (France) reviewed the broad outlines of the French policy for helping the underdeveloped countries ; in particular this provided for a rationalization of the foodstuffs market, the setting of primary product prices at profitable rates through international agreements and the charging of a levy on behalf of the producing countries. France furthermore devoted two to three per cent of its budget to assisting the third world.

Mr. Metzger (Germany), for his part, explained the policy of the Federal Republic. He referred particularly to coffee and banana imports, which were effected on a free market basis. Under these conditions, he felt that it was for the AAMS to make their products more competitive.

The main point of concern to subsequent speakers and in particular Mr. Kassongo (Congo) and Mr. Boubou Hama (Niger) was the marketing of tropical products and price stabilization. They recalled the warning on this subject given by Mr. Hamani Diori, President of the AAMS. Two speakers, Mr. Battaglia (Italy) and Mr. Marigoh Mboua (Cameroon) raised the question of the abolition of the internal taxes charged by the Six on agricultural products imported from Africa. Mr. de Block, for his part, doubted whether such a measure would be really effective. It was not certain that consumption in the "rich" countries could be stimulated by the abolition of these taxes. Then again their abolition would benefit all the producing countries and not only the AAMS. It had to be recognized, he concluded, that the necessary progress could only be made gradually.

Speaking for the Euratom Commission, Mr. Margulies explained the conditions that had to be met before projects submitted to the EDF could be considered. Firstly the project had to have the agreement of the beneficiary state. It had also to be based on preliminary studies and it had to be such that it could be carried out at once, bearing in mind the local infrastructure. Mr. Margulies hoped that the stage of practical achievement would shortly be reached.

The debate continued with speeches from various representatives of the Six countries and of the Associated States : Mr. van der Goes van Naters (Netherlands), Mr. Bakouré (Chad), Mr. Ratsima (Madagascar), Mr. Briot (France) and Mr. Sabatini (Italy). Most of them agreed that the work done within the institutions of the Association had been fruitful without at the same time resol-

ving all the problems : the development of economic relations between Europe and Africa, the search for markets, the stabilization of tropical product prices and the diversification of the economies of the AAMS.

The solution advocated by Mr. Armengaud (France) was that there should be a different approach to each product. Mr. Alassane Haidara (Mali) envisaged regional solutions, culminating in a world-wide arrangement.

Mr. Carboni (Italy) for his part said he was convinced that the organization of an itinerant fair in Europe would make tropical products better known.

Mr. Makha Sarr (Senegal) recalled that the European partners should take the concerns of their associates into account in international negotiations.

Other speakers were concerned at the lack of progress within the scientific and cultural promotion policy : Mr. Moro (Italy) and Mr. Ahmed Gumane Roblé (Somalia).

Speaking for the High Authority and the EEC Commission, Mr. Rochereau gave his opinion about the criticisms made concerning financial and technical co-operation.

Certain delays had resulted from the fact that the dialogue procedure was, as yet, insufficiently developed. As regards the trade expansion policy, an attempt had to be made to stabilize and to invest at one and the same time. He agreed that the trade had expanded favourably during the first half of 1966 ; there had been a real recovery but there was still some uncertainty. Quantitatively speaking, the assistance rendered by the EEC could not yield benefits within too short a period.

It was essential, he said, that African products should become better known. The Commission would act on two principles : select major fairs and group the interests of several states in terms of particular products. The Commission hoped, however, that private investment would supplement the investment made by the Community. This matter was being studied. As for internal taxes these were a major source of revenue which could not be cut off. Would reducing them affect consumption, he asked. The problem was a source of concern. It was important, he concluded, to organize markets together and to regularize prices.

Mr. Terrenoire (France) envisaged the possibility of revising the Yaoundé Convention. This was based on the principle of free trade, which was misleading. The partners were politically equal but they were not economically equal. He found it deplorable that the economic imbalance of the underdeveloped countries was growing worse. Relations between Europe and Africa had to strike a note of African development.

At the close of the meeting, the Conference unanimously adopted a resolution

stressing the value of a fruitful dialogue between institutions in the interests of the successful operation of the Association. With regard to trade, the Conference stressed the need to work out solutions leading to a growth of trade within the Association through a sustained effort in the field of trade promotion and asked the States to examine how far the reduction of certain internal taxes might foster the marketing of tropical products ; it called for action to solve the crucial issue of price rationalization. The Conference further recommended that recourse be had on loans on special terms from the fund and it recommended making it easier to obtain loans from the European Investment Bank. It trusted that the efforts made to raise individual attainment levels and to train supervisory and management staff would be stepped up. Lastly, it drew attention to the unfortunate effects that might result if the partners failed to co-ordinate their action and failed to take into account their mutual interests and solidarity.



## II. ASSEMBLY OF THE WESTERN EUROPEAN UNION

### WEU Assembly and the problems raised by the possible accession of the United Kingdom to the European Communities

The WEU Assembly met from 12-15 December 1966. Mr. Badini Confalonieri (Liberal, Italy) was elected President of the Assembly in succession to Mr. Carlo Schmidt (Socialist, Germany).

After a lengthy debate on relations between East and West Europe and on the problem of China, the Assembly devoted its session of 15 December to the problems raised by the possible accession of the United Kingdom to the European Communities. Lord Gladwyn (Liberal, United Kingdom) submitted a report on behalf of the General Affairs Committee on this subject.

The report began by dealing with the main problems that preoccupied the States concerned. It went on to discuss the evolution of public opinion in Great Britain where there was increasing support for the idea of joining a European Community. With reference to accession procedure, Lord Gladwyn suggested that there had, first of all, to be a statement by all concerned that there were no political or other objections to Britain's joining, provided only that she accepted the Treaty of Rome. He went on to say that there would also have to be agreement on the length of the transitional stage during which, on both sides of the Channel, the economies could be gradually adjusted to the new situation which would arise following Britain's accession. There would, in addition, have to be some broad bargain, he said, about the ceiling for British payments into the Common Agricultural Fund during these transitional periods.

Another point that would have to be settled in advance would be some continuing special position for certain New Zealand exports. To this he added agreement on a suitable voting formula. He repeated that before Britain joins, she might be well advised to make some declaration of intention to work towards the constitution of some new European reserve currency.

Mr. J. Rey, a member of the EEC Commission, thought that Britain's joining EEC could only be thought of as the beginning of the Community's enlargement. Mr. Rey pointed out that so far as the Commonwealth was concerned, he had no particular worries since it was on these problems that the greatest degree of agreement had been reached in the 1961-63 negotiations for British entry. As for agricultural problems, these would require a great deal of effort and imagination. With reference to monetary problems, the Common Market Commission was unlikely to create difficulties. He had the impression, however, that monetary discussions would loom large in the current talks and perhaps also in the future negotiations.

As to procedure, Mr. Rey had reservations about the proposal made by Lord Gladwyn in his report. He thought that the negotiations with Great Britain would take some time even if they were restricted to the salient points, and that it would be difficult for all the Governments concerned to give a final 'yes' before agreement were reached on a number of points.

Mr. Rey concluded by stressing that the real problem was to determine what we were going to do together. It was a question of knowing, with reference to being grouped together, wherein the interests of all, and not just Britain, lay. Their objective, he said, should be to create a free and independent Europe which would be an equal partner in the free world. The independence of Europe was to be achieved by integration and depended also on the extension and enlargement of the Community.

Those who spoke in the debate stressed the importance of the accession of Britain and her EFTA partners to EEC. The British spokesmen stressed that Britain did mean business. Mr. Heffer (Labour) made it clear that Britain did not envision a Community which would be directed by a supranational authority dealing with matters of foreign affairs or defence. In this he said Britain's position did not differ from that of France.

At the close of the debate the Assembly unanimously adopted a recommendation in which it considered that 'the accession of the United Kingdom to the Treaties of Paris and Rome would clearly be the best way of applying the economic provisions of the Treaty of Brussels' and that 'a more favourable trend exists now, both in Britain and on the continent of Europe in favour of such accession'. The Assembly considered that the accession of the United Kingdom to the European Communities, by encouraging the building of Europe as a whole is one of the surest means of promoting a real détente in East-West relations.

The Assembly recommended that, without waiting until Britain feels able to make a second formal application to accede to the Treaties of Paris and Rome, the Council should at once begin consideration of the main lines of a common European foreign and defence policy; it recommended that the Council examine the setting up of joint institutions with competence in the scientific and technological fields, responsible, in particular, for organizing and implementing aeronautical and space research and production in Europe; it recommended that the Council should further examine without delay, and with the advice of the EEC Commission, the procedure that might most suitably be adopted in the event of such formal application being made with a view to getting agreement on only the major outstanding issues which would arise from the accession of the United Kingdom, the details being gradually worked out with British co-operation in the institutions of the Community during the necessary transitional period. (Documents of the WEU Assembly)

### III. NATIONAL PARLIAMENTS

#### a) Germany

##### Government declaration by Federal Chancellor Kiesinger and European policy

In a statement before the German Bundestag on 14 December 1966 Mr. Kiesinger stated that the European peoples could do far more for world peace and general prosperity by pooling their energies. Economic and political union was as much in the interest of the European peoples as in that of the United States. He hoped that one day the Soviet Union, too, would see in a united Europe a major factor for world peace. The will for European unity should not however be made an excuse for omitting to carry out what was now possible. The Federal Government was therefore determined to do all it could for a just and lasting peace in Europe.

The Federal Chancellor stressed the progress made to date by the present European Communities, and added that his government would continue to back the further development of the European Economic Community and its institutions. The Community of the Six should be open to all European States that were prepared to espouse its aims. The new Government would particularly welcome the admission of Great Britain and other EFTA countries to the European Community. It would also press for an outward-looking commercial policy to go hand in hand with the internal development of the Common Market. To that end it would do its utmost to ensure the success of the Kennedy Round.

The Federal Chancellor dwelt at length on Franco-German relations. Without close relations based on mutual trust between Germany and France there could be no peaceful order in Europe, desired though it be in both East and West. Germany's attitude towards France was guided by the following considerations:

1. Both the geographical position and the history of Europe had led to a situation in which, under present-day conditions, French and German interests coincided to a large degree;
2. In common with France, America's oldest ally in Europe, Germany was convinced of the need for a solid alliance between the free nations of Europe striving for union and the United States of America, whatever the form that alliance might take in a changing world. Germany declined to be tacked in to seeking a misguided and dangerous alternative;
3. Like France, Germany championed the reunification of the traditional European family of peoples, a goal which entailed putting an end to the division of the German people, which was both historically unsound and unnatural;

4. Franco-German co-operation as Germans saw it, was not directed against any other people or country. It should serve rather as a rallying point in pursuing a policy for European union. It was essential if Europe was to be a responsible partner. A Europe that spoke 'with one voice' as American statesmen desired, called for ever closer agreement between German and French policies. Europe could only be built with France and Germany, never without - let alone in opposition - one of them. The situation demanded practical steps towards union rather than slavish pursuit of ideals. What was desirable but at present unattainable should not be allowed to stand in the way of what was practicable.
5. Franco-German co-operation in as many fields as possible was of great value for improving relations with countries of the Eastern bloc.
6. For all these reasons the Federal Government wanted to make the best practical use of the scope for co-ordinating the policies of the two countries offered by the Franco-German agreement of 22 June 1963, and intended to submit proposals on the subject. The special circumstances prevailing in each of the two nations would continue to bring about clashes of interest and differences of opinion. The Federal Government was convinced, however, that such problems would be overshadowed by the need - vital for the future of both peoples and for Europe as a whole - for far-reaching economic, technological, cultural, military and political co-operation in ever-widening fields.

In the ensuing debate Dr. Barzel, as spokesman of the CDU/CSU Group, stated that as Germany's future lay in Europe its policy would have to be a European one. He described the political union of the EEC States - with an 'open door' policy towards other States prepared to enter under the same conditions - as the key to the major problems of the European continent and a prerequisite for its future political, scientific, technical and economic status. There was no better way of ensuring the security of Europe than to work systematically for an integrated Europe.

Dr. Barzel stated that Europe could only continue to be built up with the co-operation of France. European union, long-term security, European peace policy and German reunification, all depended on co-operation with France. Furthermore, Great Britain, too, belonged to Europe, and the will to enter the European Community was growing among its people, a development which Germany would do all it could to encourage.

Dr. Dehler (FDP Group) questioned whether the same old phrases could still be used in speaking about Europe. Politics in Europe had led to its becoming hopelessly divided. Dr. Dehler did not believe a bridge could ever be built between the EEC, EFTA and other countries outside the Community. The arrangements already in existence were of too rigid a nature to permit that. The concept of a politically integrated Europe - a goal on which the young people of Germany had pinned such great hope - had been wrecked. Even the latest attempt, at least to strengthen the ties between France and Germany, was being

threatened. European policy could only be described as a complete failure. The Government's statement had nothing to offer, apart from generalities, regarding what further action should be taken. Dr. Dehler questioned whether the enormous financial sacrifices should be made without a definite political aim. He added that the Free Democrats had had serious doubts about the Rome Treaties at the time, and criticized the CDU for having wanted merely to create a Catholic Europe. He added that the FDP had rejected the Rome Treaties early on because it had been clear at the time that they would only lead to the division of Europe and to economic difficulties.

Foreign Minister Brandt thought two points particularly worthy of note as regards West European co-operation and unification : first he pointed out that in the last few days the British and representatives of other EFTA States - in particular the Scandinavian countries - had been told in the course of WEU talks and on other occasions how much their entry into the Common Market and the European Communities would be welcomed. It had been arranged for the British Prime Minister and Foreign Minister to pay a visit to Bonn in mid-February after their Rome and Paris visits. Mr. Brandt added that discussions had also been held with Mr. Fanfani, Italian Foreign Minister, regarding greater efforts in the technological sector to close the gap between Europe and the USA. (German Bundestag : 80th session, 13 December 1966, 82nd session, 15 December 1966, 83rd session, 16 December 1966)

b) Italy

Mr. Fanfani, Foreign Minister, addresses the Italian Chamber of Deputies on technological policy and Europe

A foreign affairs debate was held in the Chamber of Deputies on the basis of motions and interpellations from various sections of the political ranks.

Mr. Fanfani, Foreign Minister, pointed out that his proposal for closing the technological gap between Europe and the United States did not mean a return to the machinery of the Marshall Plan. It entailed instead profitable co-ordination of technical know-how within the wider context of closer relations between East and West.

Italy had submitted a factual document on the subject to the allied governments, addressing itself to the Atlantic Council which, for the moment, it considered to be the appropriate organization. This did not rule out the possibility of following up this initiative elsewhere once a suitable international body had been set up. All governments who had received the document regarded the initiative as of prime importance. Both at Atlantic and at European level Italy's efforts

had been based on the need to help to overcome the obstacles to greater unity. The Italian government had followed a policy which, while realistic, had not abandoned the ultimate objectives of economic and political integration. In Europe substantial progress was being made in shaping a far-reaching customs policy, and a common agricultural policy. The latter, in particular, presented delicate problems to Italy which was exposed to competition from its European partners. Nor would it bring home sufficiently to all concerned the need to prepare themselves in time for the complete liberalization of the European agricultural market in 1968. Among the initiatives taken by the Italian government on European policy, Mr. Fanfani mentioned the efforts made to facilitate British membership of the EEC and to open up the Community to other countries that either could not, or did not intend to become members. As for the Kennedy Round, Italy had exerted itself with a view to making the negotiations a success, in the knowledge that this was desirable both from the economic and the political point of view. Replying to Mr. Vecclietti and Luzzatto who had inquired about the possible entry into the Community by Spain, Mr. Fanfani stated that the list of visits paid by him to foreign countries could be regarded as an outline of Italian policy for drawing nearer to nations that wished to be admitted to the Common Market - for example, the United Kingdom and Denmark. There also existed other forms of bilateral collaboration in addition to that of association with the Common Market. (Chamber of Deputies, verbatim reports of debates, 18 and 19 October 1966)

### c) Netherlands

#### 1. Adoption by the First Chamber of the Treaty for the merger

On 25 October, in spite of the ministerial crisis, the First Chamber adopted the Treaty establishing a single Council and a single Commission of the European Communities, together with a protocol on the privileges and immunities of the European Communities. Although the matter was not put forward as urgent by the outgoing government, the Chamber did not regard it as controversial. A draft motion by Mr. Van der Spek (Socialist Peace Party) to 'postpone the debate to a more suitable date and only then to decide on this bill' was rejected unanimously with only three against. Minister Luns stated that the instruments of ratification would not be deposited during the period of the Government's resignation.

During the debates Mr. Burger (Labour Party), Mr. Berghuis (Anti-Revolutionary Party), Mr. Baas (People's Party for Freedom and Democracy), Mr. Van Hulst (Christian Historical Union) and Mr. Steenkamp (Catholic People's Party) stated that their respective groups would vote for the law approving the Treaty. Mr. Burger pointed out that when the last minister deposited the instru-

ments of ratification (Article 9) the three executives would disappear. If members of the new commission were not appointed at the same time this would result in a situation where members of the old Executives would retain their mandate without the basis for the exercise of this, namely the existence of the Executives themselves. This would result in a vacuum. It was therefore essential for all parties to be fully in agreement on the application of the Treaty before depositing the instruments of ratification.

Mr. Baas regretted that democratization of the Communities had had to suffer so much from trends in European affairs. According to Mr. Van Hulst, however, rejection of the Treaty on the merger would in no way serve the cause of democratization. (First Chamber 1966-67 session, sitting of 25 October 1966)

## 2. European policy

On 28 December Mr. Luns, Foreign Minister, made the following statement before the Second Chamber of the States General during the debate on his ministry's budget :

' Fully conscious as it is of the worth of Western civilization and of the freedoms it had acquired at the cost of great sacrifices, and convinced of the need to round it off and develop it still further, the Government is determined to go on striving for a truly integrated, outward-looking and democratic Europe. One of the aims both of Atlantic and of European collaboration is to ward off any form of nationalism, particularly in the Federal Republic of Germany, while reserving for our neighbours in the East a place in the political, economic and military organizations already in existence, where all partners have a chance of co-operating as equals without any discrimination and under a system integrated to the highest possible degree. Europe will know no real peace until the problem of Germany's division has been solved ... A sound solution must be based on the right of the German people as a whole to decide their own future ... The West cannot recognize the artificial construction in East Germany known as the German Democratic Republic because this would be to sanction a police regime which, with the backing of Soviet troops, keeps millions of Germans under restraint ... German reunification must be carried out - and on this point all the Western countries are in agreement - as part of a general settlement of the problem of European security that also includes suitable disarmament measures ... Sight should not be lost, however, of the fact that no real progress can be made without the co-operation of the Soviet Union. Closer and more numerous contacts between the peoples of Western and Eastern Europe will not automatically induce the Soviet Government to adopt a more conciliatory attitude towards the problems of Central Germany.'

Eastern Europe was now on the move. This applied both to internal developments in all these countries (including the Soviet Union) and to their reciprocal relations. It was interesting to see how the desire for a more practical and less ideological approach to economic problems was gaining ground. The regimes of Eastern Europe had neither the intention - in their own interests, of course - nor, perhaps, the means to break the close bonds that still tied them to the Soviet Union. It was to be hoped that the present trend would finally establish itself, that the day would come when the degree of rapprochement between East and West would be such as to permit really normal co-operation free from mistrust or ulterior motives. The Netherlands Government intended to work actively with this end in view. Mr. Luns pointed out that in countries with a Communist regime the influence of internal affairs on foreign policy was far less marked than in countries of the West. A measure of freedom from restrictions at home did not automatically lead to greater flexibility or moderation in foreign policy.

Replying to Mr. Blaisse (Catholic People's Party), who wished to know whether the Netherlands Government felt there was any chance of relaunching the political dialogue in Europe, Mr. Luns stated that owing to the persisting differences of opinion - particularly between France and the other member States of the European Community - on the principles of Atlantic and European co-operation, it was doubtful whether an attempt to step up political contacts between the Six would serve much purpose at the moment. He saw no reason why the Six should not exchange political views in Rome next spring on the occasion of the commemoration of the signing of the European Treaties. He envisaged these discussions as taking the form of desultory talks involving no commitment and similar to those once planned for Venice. This, Mr. Luns thought was the direction in which things were tending.

It was on the initiative of the Netherlands - although at Community level - that the first talks had been held between the Six on the new move of the United Kingdom to enter the EEC. These discussions had, of course, been on the superficial side so far because the British Prime Minister and Foreign Minister had not yet completed their tour. At all events it had been decided that the EEC Commission should be informed of the conversations held by the British representatives in the various capitals.

During preparations for the study of the national budget for 1967, Mr. Luns had already declared, in a memorandum dated 21 December, that the new Netherlands Government would not deposit the deed ratifying the Treaty on the merger until the composition of the European Commission had been satisfactorily settled.

During the public debate Mr. Luns stated that he had again drawn the attention of his colleagues in other governments, during the last meeting of the Council, to the problem of the composition of the new Commission, and had urged that an end should be put to the state of retirement that at present applied to most of the members of the European Executives. If, at least, for the moment,



there was no other solution, the members of the three Executives should be reinstated in their present functions. (Debates of the Second Chamber of the States General 1966-67 session, sitting of 28 December 1966). Memorandum concerning report (sent on 21 December 1966), No. 17, session 1966-67 - 8800, national budget for 1967, Chapter V, External Affairs)

### 3. Social harmonization in the EEC

In reply to questions put by the Standing Committee on Social Affairs and Public Health (Doc. No. 16), Mr. Veldkamp, Minister for Social Affairs and Public Health, stated in a memorandum addressed to the Second Chamber on 20 December 1966 that despite all the valuable studies carried out by the European Commission the Governments concerned had taken no concrete steps to approximate their respective social systems stage by stage.

This situation was due to a number of factors. The main one had at one time certainly been the almost total absence of trust between the Governments and the Commission in the social sector. Taking advantage of his term of office in the previous six months, Mr. Veldkamp had tried to overcome this crisis of confidence which in previous years had led to an impasse in the social sector which had recently been sharply criticized by the European Parliament. Mr. Veldkamp's initiative had resulted in the Ministers for Social Affairs of member States arranging a meeting on 19 December 1966 for the first time in two years. The subjects to be discussed would include a practical approach to the harmonization of social security systems. (Session of 1966-67 - 8800, national budget for 1967, Chapter XV, social affairs and public health. Memo concerning reports (despatched on 20 December 1966), No. 18)