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*a survey*

**EUROPEAN PARLIAMENT**

General directorate of parliamentary  
documentation and information

In addition to the official acts published in the Official Gazette of the European Communities, the activities of the European Communities are reported on in publications appearing at regular intervals.

Thus, the Commission of the European Communities publishes a Monthly Bulletin on the activities of the Communities while the European Parliament issues a periodical Information Bulletin on its own activities.

The Council of Ministers issues a press release after all its sessions. Its activities are also reported on in a special section of the Bulletin of the European Communities.

The Economic and Social Committee issues press releases at the close of its plenary sessions, and its overall activities are reported on in a Quarterly Information Bulletin.

The Survey of European Documentation is intended to serve as a supplement to the above publications. It deals with salient features of the process of European integration taking place outside Community bodies.

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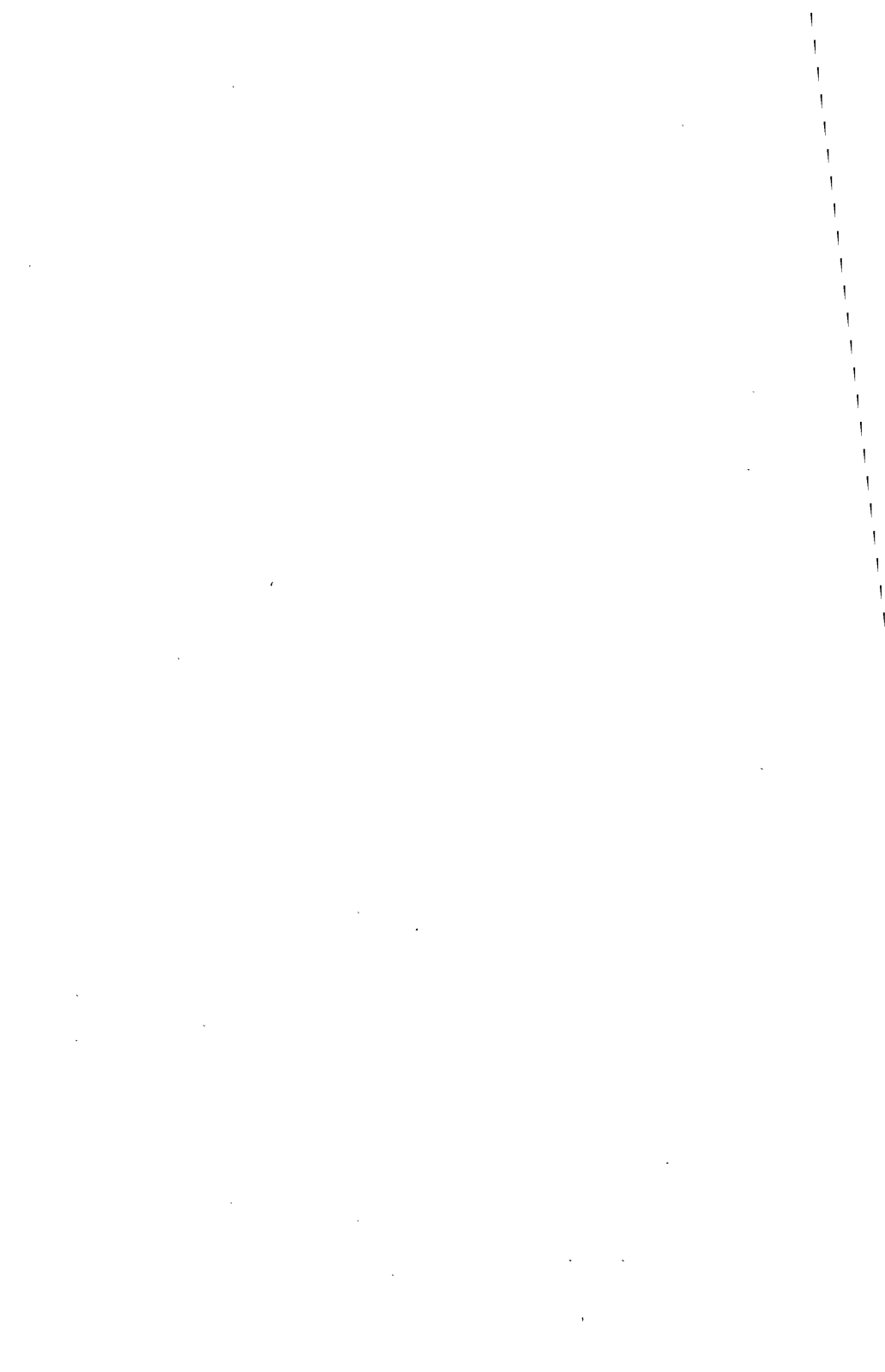
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## Part I

### DEVELOPMENT OF EUROPEAN INTEGRATION

#### First reactions to the Mansholt Plan

#### 1. Germany

##### a) Political spheres and farming groups

The plans put forward by Mr. Sicco Mansholt, the member of the European Commission responsible for agriculture, concerning the future of farm production structures in the EEC, aroused predominantly critical reactions in Bonn.

On 11 December 1968 Mr. Höcherl, the Federal Food Minister, pointed out that the proposals represented Mr. Mansholt's personal views and not a European Commission decision. Structural policy would to a large extent continue to be a national responsibility. The difficulties of creating two and a half million jobs in the next ten years were not made any easier by the fact that most would be confined to specific areas. The Ministry saw a serious problem in Mr. Mansholt's suggestion that in future the trend should be more and more to promote only those farms which, 'in the opinion of the Commission' attained the optimum scale.

Mr. Höcherl pointed out that the Federal Government had constantly defended the principle that people affected by structural change should be allowed to make their own decisions. No one ought to be forced to give up his occupation or to take part in new forms of co-operation between farms. One positive point was the fact that, for the first time, Mr. Mansholt had shown understanding for activities subsidiary to farming.

Speaking in the Bundestag on 12 December 1968, Mr. Höcherl expressed serious doubts about the feasibility of the objectives set up by Mr. Mansholt for structural changes in agriculture. Now that the rationalization of industry - at least in the Federal Republic - was so far advanced, it would be difficult to find jobs for the farmers thrown out of work under the Mansholt plan.

On 20 January 1969 Mr. Höcherl advocated that discussions on the Mansholt plan's structural policy aims should be brought down to earth. The memorandum should be taken for what it was, namely a statement of objectives with an outline of possible measures. With the exception of the sections on prices, it presented no official proposals.

Mr. Struve, deputy-Chairman of the CDU/CSU Group in the Bundestag, said that the Mansholt proposals were unrealistic and neither economically justifiable nor politically feasible. It was not possible in ten years to turn five million farmers into skilled industrial workers or recipients of social pensions. Mr. Struve referred to the thousands of millions that would be needed to finance this. 'Such sums would make the whole of our medium-term financial planning illusory.'

In Munich on 14 January, the CSU criticized the Vice-President of the European Commission for publishing his agricultural policy proposals before the final decision had been taken by the Commission and the Council of Ministers. Even those who agreed with Mr. Mansholt had to concede that such a procedure was, to say the least, unusual. The CSU was disappointed that the Commission had taken no notice of often highly constructive criticism of the Mansholt plan.

Leading Oldenburg CDU politicians welcomed the Mansholt plan at an agricultural policy meeting of the Youth Union held in Lohne on 20 January. Mr. Gerhard Glup, Chairman of the CDU Land Association of Oldenburg, described it as a sensible proposition worthy of consideration. German agriculture had already started on the course indicated by Mr. Mansholt. Mr. Glup shared Mr. Mansholt's view that structural planning in agriculture must be accompanied by economic promotion and the creation of new jobs.

Dr. Martin Schmidt (Gellersen), the agricultural expert of the SPD Group, said on 11 December that the proposals for the future agricultural policy in the EEC lacked any financial foundation. A plan for financing the policy was the vital corollary to the reform proposals. The structural policy arguments were not new. At the national level - in the Federal Republic for example - these aspects of agricultural policy had been under discussion for years.

Mr. Josef Ertl, deputy-Chairman of the FDP Group in the Bundestag, said that the FDP rejected Mr. Mansholt's ideas on the size of farms because of the need it felt for the widest possible distribution of ownership. The FDP stood fast by the family farm. At the same time it went without saying that this term should be interpreted in a progressive spirit as implying co-operation between farmers. Instead of a radical overhaul in agricultural

structures, the first step ought to be to put the cost structure in order. This should be done at national level by including agriculture in overall economic planning, and in the EEC by removing distortions in competition due to disparities in the application of trade, fiscal, transport and social policies. Under no circumstances, however, should the Commission have any responsibility for structural policy.

'Anyone who tries to fool the farmer into thinking that Mr. Mansholt or I, or any other realistic politician concerned with agriculture, is bent on depriving five million EEC farmers of their livelihood either can't read or is wilfully trying to strike terror into their hearts.' With these words Mr. Hasselmann (CDU), Minister of Agriculture for Lower Saxony, countered a sharp attack by the FDP's agricultural working groups in the Hamlyn-Pyrmont district association. Mr. Mansholt too was aiming at an honest policy to increase the incomes and standard of living of the farming community and it was quite conceivable - going by developments in the Community to date - that five million more workers would wish to leave the land by 1980.

The memorandum on agricultural reforms in the EEC contained proposals that were worth discussing, said Mr. Diether Deneke, the Minister of Agriculture for North Rhine/Westphalia. He was against unqualified acceptance but equally against the wholesale rejection the memorandum had frequently encountered in the farming community.

The core of the Mansholt plan contained a series of arguments that almost tallied with those put forward in the Federal Government's agricultural programme. In some parts, however, it was incomplete and in need of correction. Mr. Deneke thought that the emphasis had not been put in the right place. Instead of showing clearly that agricultural policy was an aspect of economic policy, the memorandum assumed that it was pursued purely in the interests of the farming community.

Mr. Deneke was pleased to note that the Mansholt plan dealt not only with the now almost traditional disparity between agricultural and other incomes but also with the problem of surpluses.

Mr. Rehwinkel, President of the German Farmers' Union, described the proposals on the long-term development of European agriculture as 'to a large extent unrealistic'. In a statement issued on 17 December, he complained that they took no account, in an age of automation, of the probable trend in the number of hours worked, of the tussle for jobs that could be expected in the other industries or of the financial capabilities of the other member States.

Mr. Rehwinkel described Mr. Mansholt's proposals as 'partly romantic and partly hostile to private ownership'. They were calculated to pave the way for all kinds of mammoth farms or communist forms of enterprise. Mr. Mansholt's visions of the structures of the future would in any case cost a few hundred thousand million more Deutschemarks than the Land Finance Ministers would consider making available to him.

'Particularly misguided', were Mr. Mansholt's views on the economically ideal size of farms and quantity of livestock, and on the number of people who would remain on the land. The short and medium-term measures proposed by Mr. Mansholt for dealing with agricultural surpluses were also completely unrealistic and in some cases entirely misplaced.

On 13 January the German Farmers' Union described the Mansholt memorandum as a contribution to the discussion of difficult agricultural questions. It issued its statement following a searching analysis of the memorandum.

In its view, it was an incomplete affair, being to some extent, contradictory and unbalanced. It contained no proposals on how to overcome competitive disparities; similarly, the close links between agricultural policy and trade, transport and general economic policies were not taken sufficiently into account.

The German Farmers' Union shared the Commission's view that restoring a balanced market for products of which there was still a surplus was the most difficult and the most urgent agricultural policy task.

The German Farmers' Union, however, firmly rejected the Commission's proposal to link price reductions and structural policy. A strategy of price reductions would not, as experience had shown, lead to any reduction in consumer prices, and hence to an appreciable increase in demand, particularly as the latter was highly inelastic.

Mr. Mansholt should stand down because he was not the right man in the right place and was hopelessly steeped in illusions. This view was put forward by Otto Freiherr von Feury, presiding on 16 December over a meeting of the Bavarian Land Association. Any member State that was in favour of the Mansholt plan should release its people from the land; the Federal Republic had made enough one-sided concessions.

Mr. Frey, Chairman of the Rhine Agricultural Association, rejected the objectives of the Mansholt plan which to some extent were based on 'really dangerous fallacies'. The agricultural community would, if necessary, fight against the European Commission. Mr. Frey hoped that the Federal Government too would oppose the Mansholt plan. Structural changes on a voluntary basis would not be challenged but any plan to force through structural changes would be opposed.

b) The Bundestag debate

In the debate held in the Bundestag on 26 February 1969, spokesmen of all groups dissociated themselves from the ideas put forward in the EEC memorandum on future agricultural policy. The speeches in plenary session showed, however, that all parties are now more ready to accept a realistic farm policy.

The debate covered the Federal Government's 'Green Report for 1969', the European Commission's memorandum on agricultural reform and the SPD Group's market structure proposals in the second and third readings.

Mr. Struve, deputy-Chairman of the CDU/CSU Group, said that the conclusions of the Green Report confirmed that the course taken on farm policy was the right one. The adaption of agriculture had resulted in a definite trend towards farms run on efficient lines like business enterprises on the one hand, and towards an increase in external ancillary activities on the other. There was also a greater willingness among farmers to co-operate in a wide variety of ways. This development was the outcome of a systematic structural change.

Mr. Struve, on the other hand, sharply criticized the reforms proposed in Brussels as showing a lack of caution and understanding. They were geared exclusively to structural policy measures which still had to be forced through by the expedient of price cuts. There were two main reasons why the CDU/CSU Group rejected the Commission's proposals. They were socially unacceptable because incompatible with a wide dispersion of ownership, the maintenance of independence, and voluntary structural change. At the same time there were no technical or practical grounds for regarding the large-scale enterprise as the only possible economic alternative. There was no conclusive connexion between the scale of an enterprise and the level of income in agriculture. Structural overhaul could not be regarded as a serious means of helping to overcome the problem of surpluses.

Mr. Struve emphasized that the Federal Government carried, and would continue to carry, the financial responsibility for integrating agriculture in industrial society, despite mounting contributions towards EEC market organizations. He therefore strongly opposed the cuts made in the draft budget for 1969 at the expense of what he regarded as urgently necessary structural expenditure.

Mr. Bauer (CSU) said that the Commission's memorandum had failed completely to assess the state of agriculture in the six member States. A striking example of how not to go about matters was the proposals on milk market policy. To break up mountains of butter and build up mountains of protein was to demolish once and for all the bases of farm prices. There were more sophisticated methods of curtailing production. The EEC Commission thought too much in terms of slaughtering cattle and closing down farms. Mr. Bauer suggested that surpluses should instead be made available to the consumer in some suitable form.

Dr. Martin Schmidt (SPD) considered that the key sections of the Commission's memorandum were of no practical value because of their perfectionist approach. He personally shared the Federal Government's attitude to the memorandum. With reference to the 'Green Report', he praised the political courage of the Federal Food Minister because he had refrained, in an election year, from airing the issue of the discrepancy in living standards as between farmers and industrial workers, which would have done more harm than good to agriculture.

Mr. Schmidt went on to criticize the way the Federal Government's agricultural programme had been carried out. After eight months it was by no means clear what had become of this programme. Even the decisions of the agricultural cabinet had not been fully consistent with the programme and had in any case come too late. Similarly, the Federal Food Ministry had not played its cards very skilfully from the financial standpoint and had wasted the opportunity to make a fresh start.

Mr. Ertl (FDP) complained that the concessions made by the Federal Republic under the common agricultural policy had not attracted any counter-concessions. In his view, the Federal Government had come unstuck with its policy for promoting Britain's accession. He thought that with the accession of Britain, Ireland and Denmark, there would be a chance of solving the Community's agricultural policy difficulties. Turning to the Mansholt memorandum, he said that an expenditure on a Utopian scale would be necessary to carry the programme through. He also felt that the proposals were economically dubious and that they could not resolve the surpluses problem; the Commission had been very dilatory in handling price policy.



Mr. Höcherl, the Federal Food Minister, said that the unrest which had occurred in agriculture in 1967/1968 had died down. The Federal Government had again got a grip on prices. Looking back on the recession, he could find no example in economic history of a slump like that of 1966 having been overcome in the space of one year. Even the critics of the Federal Government had to recognize this.

He warned against making too much of the current tension between France and Germany, and pointed out that tiffs occurred even in the best of marriages. With regard to the United Kingdom's accession, he felt it was not for the Federal Government to act as intermediary. It would, however, endeavour to promote British accession in every possible way. For this reason he had received senior officials from the British Ministry of Agriculture to explain the position to them. Moreover, the British Minister of Agriculture, who was expected in Bonn at the end of April, would be able to see things for himself and himself to organize the programme for his visit. The interests of the Commonwealth countries could not be a matter of indifference to the Federal Republic because of the friendly relations between them, especially since these countries had always shown great understanding for the political situation of the Federal Republic.

Referring to the proposals in the Mansholt memorandum, Mr. Höcherl repeated that the principles of private ownership and of freedom of decision were sacred to the Federal Government. On the other hand he did not wish any comparison to be made between the proposals and the state of affairs in the Soviet Zone. What existed there was not co-operative but collective farms. Much of what Dr. Mansholt had proposed was in line with the views of the Government. This was particularly true of social policy. They still disagreed, however, over structural policy and price policy.

(Deutsche Bauernkorrespondenz, No. 1, 15 January 1969;  
Rheinische Bauernzeitung, No. 3, 18 January 1969;  
Frankfurter Allgemeine Zeitung, 12 December 1968, 4 January 1969,  
25, 27 February 1969;  
Die Welt, 12 December 1968, 27 February 1969;  
Handelsblatt, 13/14, 17, 20/21 December 1968;  
Bulletin of the Federal Government, No. 28, 5 March 1969)

## 2. Belgium

### a) The Chamber of Representatives

On 18 December 1968, Mr. Moulin (Communist) asked the Minister for Agriculture to draw attention to the need for the greatest firmness in opposing the plan put forward by the European Commission to accelerate the winding up of family farms. He stated: 'There are two things which I should like. Firstly I should like the Minister and the Government to assure us, at the close of this debate, that they will take issue with the Mansholt plan to wind up family farms. Secondly, I should like the Chamber, preferably unanimously, to express its opposition to a Community policy which provides for the elimination of family farms. It must be agreed that nothing is going right within the Community: monetary crises, deadlock over Euratom, unemployment, closing down of enterprises, redundancies, price increases and lastly this threat hanging over agriculture,.... At the instance of non-elective technocrats we were already at the stage of subsidizing the distribution of foodstuffs. Now the plan is to go further. Mr. Mansholt intends to eliminate 5 million European farmers and to slaughter 250,000 dairy cows. This is an aberration. This also comes at the very moment when UNICEF is reminding us that there are millions and millions of human beings dying of hunger. Reference is made to excess production. But who would dare seriously to argue that the world has too much food? The truth is that the Common Market is failing in its obligations: it has been unable to organize, for Europe, the use of products coming from the countries which produce too much; it has been unable to organize the distribution of surplus foodstuffs for the benefit of the countries that need them. It only sells to the wealthy and the poor are being ignored because they are unable to pay.'

Mr. Gheysen, a member of the Christian Democrat Group, said he was worried about the falling percentage of the population engaged in agriculture in Belgium and that he was concerned about Mr. Mansholt's proposals which were designed to reduce this number still further: 'To speed up this process, as Mr. Mansholt proposes, is senseless. We must nonetheless analyze this plan objectively. It goes without saying that before delivering any final verdict we must look into it in detail. With this in mind, the memorandum should be regarded as an attempt to rationalize European agriculture. Hence we would adopt a positive attitude to this document in so far as it leaves the member States free to decide on their own structures policy. I fear, however, that this is not the case for the proposal is that standard amounts be awarded under the heading of social measures and that farms shall be of the standard area. The plan would have been more realistic if it had taken into account the structural differences between farms in the different member States.'

Mr. Gheysen's observations also covered the following points:

- in his plan, Mr. Mansholt speaks of modern farms but does not specify their size;
- the proposed system of subsidies is discriminatory;
- there is, in the economic and social sphere, no proof that the large-scale farms give a greater yield than the family farms;
- it is unacceptable to propose a cut in prices to the point where they are no longer keeping pace with cost-of-living trends;
- the lack of job opportunities in the large agricultural regions in the Common Market is the main stumbling block of the Mansholt plan;
- the European Commission has taken good care not to specify what the implementation of the Mansholt plan will cost.

At the end of his speech, Mr. Gheysen asked if Belgian agriculture was still going to have to foot the bill for this operation and if it was again going to be forced to help the ailing agriculture of some of the other member States.

Mr. Héger, Minister for Agriculture, explained the Government's attitude: 'As far as we are concerned, safeguarding the family farm will always be something more than a platonic desire; it will be the expression of our determination to succeed.' He added: 'There will no doubt be other farmers who regard themselves as coming into the marginal category and who will consequently leave the land. But there can be no question of halving the number of our farmers. If action has to be taken at the international level, it must be neither improvised, nor Utopian, nor inhuman. One cannot tear someone away from an independent profession and force him to exercise another activity without provoking dramas.'

The Minister proposed to reject the agenda submitted by the Communist member. The latter found the record of the Government's policy to be unsatisfactory and said: 'Why not tell us of the "white cartel", the steel cartel which sells slag at too high a price, the phosphates consortium which sells fertilizers at too high a price, the private companies which control agriculture to the detriment of the small farmers? As for co-operation, you have only encouraged sham co-operatives to which you have given no chance of fighting against the cartels. In fact, the bureaucratic technocracy of the Common Market wishes to impose its law on us and not only in the agricultural sector.'

Lastly he noted that the Mansholt plan formed part of the policy which the Common Market had been following for 10 years and which culminated in driving the small farmers from the land. In his opinion the only new factor was that the process was being accelerated.

b) The Senate

On 18 December 1968 Mr. Martens (Christian Democrat) put an oral question to the Minister for Foreign Affairs and the Minister for Agriculture to enquire:

- whether the common agricultural policy so far pursued was consistent with the aims laid down in Article 39 of the Treaty of Rome;
- what those responsible for agricultural policy had done to avoid a crisis in the dairy produce and fruit sectors and
- whether Mr. Mansholt's plans could solve the problems of structures, surpluses and incomes.

The speaker recalled the conclusions reached at the Stresa Conference in July 1958 when an attempt was made to find a valid compromise between a concern to keep consumer prices reasonably low and the need to secure that producers obtained a fair reward for their work. He added: 'The farming community is deeply disappointed at recent trends in farm policy. Since 1960 farm incomes have undoubtedly risen. But since 1967 the disparity in earnings has also been increasing. Mr. Mansholt gives no grounds for hoping there will be any immediate improvement - except perhaps by 1980. On a market where there is a surplus of supplies, keeping intervention prices at a level where reference prices cannot be obtained is a booby trap. The failure to respect the underlying principles of the Treaty of Rome is undermining confidence in the Common Market. The Mansholt plan undoubtedly includes some good measures. But when the intention is to use the improvement of structures as a pretext for imposing on us a policy leading to the "collectivisation" of agriculture then it is something we bitterly oppose. It is hard for us to believe that when it comes into application there will be any desire to abandon a price policy geared to costs. The policy for structures is not a magic formula for improving farm incomes and provides no guarantee either against surplus production or security of food supplies. Farmers are calling for an improvement in the structure of agriculture and for a price policy geared to costs. Mr. Hallstein said in Stresa that if success was to be achieved, it meant winning the confidence of the farming community; they had clearly to be shown that the action taken was in their interest. Now the

farmers feel they have been fooled. They will definitely oppose a system which is not consistent with the original objectives of the Treaty of Rome.'

With reference to the situation in the fruit and vegetable sector, Mr. Martens stated: 'The producers are finding that there is no Community policy; hence the advantages of our geographic situation are cancelled out by the various assistance measures taken by our partners; there is furthermore still no regulation governing imports from third countries. The basic and purchase prices are set by intervention at too low a level. The system of setting prices without any control over production is untenable. The Community should try to pursue a standard intervention policy in all the member States, to devise a common policy with regard to third countries and to reduce production. The Belgian market should be re-organized and the outlets for produce increased by recourse to better quality and publicity to stimulate consumption. A systematic destruction of good quality fruit is not in the interests either of the producer or the consumer.'

With reference to Mr. Mansholt's farm reform plan, the speaker restricted his attention to prices: 'Production costs are rising steadily but we are faced with a "freeze" on selling prices and a fall in price levels. These prices are still being set without reference to any common price criteria or to the annual report on the state of farming and the agricultural markets. The guide prices set for farmers under the production plan must be set by 1 August. The Commission has as yet not even submitted price proposals to the Council of Ministers.'

Mr. Vreven (Liberal) suggested one or two guidelines for the policy on fruit and vegetables: 'When the six Ministers of Agriculture hold their next discussions, Belgium must raise the problems of rationalization, cur-tailing production, tree-felling and possibly other restrictive measures. Among the latter, the destruction of surpluses seems to me both economically and psychologically hazardous. It can have an adverse effect on the quality of fruit and simultaneously encourage fruit imports. When the intervention prices are set it should not be forgotten that this price should not boost production but rationalize the market. This is why the purchase prices at the intervention stage must be the same as purchase prices jointly established. There is an urgent need for an agreement among the Six. There is no common policy for fruit because the main Community agreements are optional and are not binding on the Governments.'

Mr. Descamps (Liberal) said he was worried about the ideas the Commission was putting forward: 'Mr. Mansholt actually said quite bluntly that a farm will not be viable unless its surface area is at least 50 hectares. Consequently, 5 million men will have to leave the land in the next ten years: 2 million of them will not be able to obtain alternative employment because of

their age and the others will have to be trained for other jobs. Such a measure appears impossible to apply if it is realized how difficult it is for a man without training to fit in in an increasingly specialized society. For Europe this will represent a revolution and for a great many families it will involve tragic situations. I know that the Minister told the Chamber that he did not endorse Mr. Mansholt's statements; but I should like him to tell us how he expects us to avert the possibility of a catastrophe. I would remind you that the Community has stated that the small and medium-sized farms are still the backbone of European agriculture.'

In reply, Mr. Héger, Minister for Agriculture, stated: 'Mr. Mansholt's proposals provide for a reduction in the active agricultural population of from 10 to 5 million in 10 years. There are some countries, however, where there has already been an appreciable fall in this population, notably Belgium. Out of the 5 million workers who will have to give up their jobs, there are 2½ million old people who will be helped by social measures; another category will have to demonstrate that they are fit to remain in farming; lastly, approximately 1 million will be regarded as part-time farmers. Reducing the number of people engaged in agriculture from 10 to 5 million is not only an economic problem: the question is whether this will solve the problem of over-production. It is here that the financial problem comes up because the rehabilitation of some farmers will have to be financed and others will have to receive compensation. But it is also a human problem. To take anyone from his job and throw him into any other wage-earning sector is bound to cause deep scars. There are some who will prefer an unfavourable position simply in order to stay independent. Will this solve the problem of surpluses? The intention is to reduce farm land from 71 to 66 million hectares. The result will be to give each farmer about 13 hectares. But will the reduction in the area farmed not take in the least productive land? After ten years will not the remaining 66 million hectares produce more in the end than the area now being farmed?'

In reply to Mr. Martens, the Minister said: 'No Minister for Agriculture will ever say that this income is adequate. Yet these developments have to be looked at objectively. If we compare wages on the farms with those of other workers over the last 10 years, the trend is seen to be favourable. In 1959 farm wages were equivalent to 65 per cent of those in other sectors; this percentage was 81,6 in 1966 and reached 83 in 1967..... The increase in farm incomes is mainly due to the extraordinary expansion in exports. The increase recorded between 1954 and 1967 was 437 per cent; a rise of from 4,470 million to 19,500 million. It is to be noted that the increase in agricultural and horticultural exports has come mainly from sales to other member States. This is one answer to those who believe or who say that the EEC has not been beneficial to agriculture. If it is remembered that 76 per cent of our exports go to the other member States, it can be said that we would not have achieved this record figure had we not enjoyed a free movement of goods.'

With reference to the policy on fruit and vegetables, the Minister said: 'I have already stated that we are waiting for the Commission's proposals. So far the system operated has not been satisfactory..... Although, when it is properly applied, the intervention system does have a beneficial effect by curtailing the loss incurred by the producer without at the same time adversely affecting the consumer, we still have to acknowledge that so far the system has had only adverse effects. The differences in the way the member States have applied the system is the reason for this. In Germany, there has been no intervention but France and Italy have taken advantage of the option to intervene at a higher level; Belgium and the Netherlands have kept to the intervention level recommended. Nor is there any certainty that the proposal to uproot orchards will bring any improvement. The problem has to be seen as a whole, taking both the technical and Community aspects into account..... Various theories are being analyzed by the department which is co-operating with those most directly involved and the possible repercussions are also being studied. We must act carefully because there could be mistakes in our estimates.'

c) The memorandum of the three Belgian farming associations

The Boerenbond (Farmers' Union), the UPA (Professional Farmers' Union) and the Agricultural Alliance finalized and adopted a memorandum which they submitted to the Government on 6 December 1968 and to the press on 10 December.

The three farming organizations are aware of the seriousness of certain problems many of which have Community and even international implications, to wit: (i) the disparity in incomes as compared with the reserves of other sectors, (ii) uncertainty as to the future shape of farming and (iii) the clauses and conditions to which the survival for the family farm will be subject. They propose a programme of political action covering prices, markets, external trade, production structures, marketing and social affairs. The aims of this overall policy will be (i) to sharpen the competitive edge of the farms by giving them encouragement and facilities for making a lasting adjustment, (ii) to ensure that well-managed, up-to-date farms obtain a satisfactory income and a standard of living comparable to that of other occupational categories, (iii) to pass social measures to smooth the way for the inevitable changes and (iv) enable the farming community to share in the general progress. With this in mind and pursuant to the Act of 29 March 1963 and to Article 39 of the Treaty of Rome, the three organizations advocate:

- setting agricultural prices at a sufficiently high level and keeping them up-to-date;

- a comprehensive policy for overhauling structures particularly through guidance in the matter of agricultural investments;
- a social policy to ensure that the farming community shares fully in the prosperity of our modern society.

The three agricultural organizations think that the markets and prices policy should remain the main feature of the common agricultural policy. This will make it possible to take into account :

- Increasing production costs;
- Currency depreciations;
- The need for 'own' finance for investments;
- The guidance to be given with regard to production.

The immediate effect of this will be to iron out the disparity in farm incomes rapidly. It will therefore be necessary to set prices at satisfactory levels, bearing in mind both these different factors and the aims of the common trade policy whose underlying principle remains Community preference.

The professional organizations devote one paragraph to the problems of financing the common agricultural policy. 'The Community must assume responsibility for financing the common agricultural policy and this must go hand in hand with its organization of the agricultural markets. This Community responsibility is incorporated in the Treaty of Rome and was further clarified by subsequent agreements on the Council of Ministers of the Common Market.

It is understandable that the European Commission should try to contain expenditure within reasonable limits but the current chaos on the world markets must be seen as the main cause of the price paid to market surpluses. The Commission should impart a stronger impetus to the concluding of world agreements on agricultural products. Some of the member States, furthermore, would like to see a limit set on their share under the "Guarantee" section of the European Agricultural Guidance and Guarantee Fund; they argue by reference to their capacity as importers. This self-sufficient policy reaction is hard to reconcile with production guidance within a common market.

The Community aspect of financing the agricultural policy precludes any valid comparison between Belgium's contribution to the EAGGF and the cost of Belgian agriculture. Belgium's interest in the EEC lies more particu-



larly in the industrial sphere. It should therefore not be forgotten that to secure this benefit for industry, which exports nearly 50 per cent of its production, concessions were made to the other member States, particularly as regards financing the agricultural policy. Indeed nine tenths of the income of the EAGGF's "Guarantee" section comes from levies on Community imports of products subject to market regulations. Since Antwerp is the second largest port in the EEC, Belgium's subscription to the EAGGF (calculated on nine tenths of the levies), represents something more than Belgium's share in Community agriculture. The balance of the receipts of the "Guarantee" section is divided between the six countries: Belgium contributes 8.1 per cent and this does not take Belgium's economic position in the EEC into account. It would therefore be wrong for the Government to use the inclusion of these sums in the budget for agriculture as an argument to bring pressure to bear on that section of the budget specifically reserved for Belgian agriculture, particularly the extraordinary budget.'

The difficulties in the milk sector prompt the three professional organizations to call for a certain number of measures at the EEC level:

1. a single intervention price for butter to be set at 88.125 francs,
2. a single intervention price at 24 francs for skimmed milk powder, both for Roller and for Spray powder, with, as a corollary, a subsidy for milk powder for animal consumption at 7.50 francs per kg.,
3. an intervention system to be established for cheeses of the Gouda type,
4. changes in the drawbacks paid out on exports to non-member countries to promote the external trade in milk products while at the same time securing the target price ex-farm.

They stressed that 'the basic solution to the milk problem is an overall policy for fats and substances with a protein-content. This implies a single trade policy vis-à-vis third countries, bearing in mind the principle of Community preference.'

The fruit and vegetable sector is also experiencing some difficulties and the professional organizations call for various measures here, too: a bonus for uprooting trees, marketing quality products, control of quality standards and effective protection against imports from the State-trading countries.

With regard to the prices proposed by the European Commission for 1969-70, the three agricultural organizations reject any cut in prices for

any agricultural product. They even propose slight increases in price for several products.

The programme proposed by the three professional organizations for renewing structures is a very broad one. They envisage organizing the security, efficiency and the effective realization of the investments that must be made both into internal and external structures. They list many measures.

The professional organizations devote the last chapter of their memorandum to the problems of enabling the farmer to share in the general prosperity. They consider that there are grounds for taking various measures in the following fields :

- social subsidies or measures to resolve the human problems raised by the technological revolution in agriculture;
- social and cultural facilities;
- the social statute;
- housing.

(Chamber of Representatives, Session of 18 December 1968;  
The Senate, Session of 18 December 1968;  
L'Agriculteur, 14 December 1968)

### 3. France

There were swift reactions from politicians and trade unionists to the Mansholt plan after it was submitted to the Council of Ministers on 10 December 1968; (it was adopted almost unanimously by the European Commission on 18 December).

At the close of the meeting of the six ministers at which Mr. Mansholt outlined his plan, Mr. Debré, French Foreign Minister, made it clear that these proposals were in no way binding on the Governments and constituted 'a working paper among others which will no doubt be added to'. He recalled the unwavering attitude of France in the common agricultural market: 'The French Government continues to believe that the common agricultural policy, which is based on the principles of (a) purchasing Com-

munity products first and (b) Community finance for surpluses is one of the essential features of the Common Market organization.'

From 11 December onwards, the agricultural organizations began to react in very differing ways.

On 11 December, the Board of the National Centre of Young Farmers published a communiqué in which it stated: 'To take issue with the Mansholt proposals too readily is liable to be damaging to agriculture because it may consolidate the position of those who for various reasons, political or financial, feel that there is no point in carrying through an agricultural policy and who feel that it would be enough to wait and see the farming population decrease in numbers. Such an approach would be unacceptable to us for it would be disregarding the human problems thrown up by the adjustments that have to be made and would culminate in the sacrifice of a whole branch of the economy.'

With regard to the basic memorandum (long-term proposals) the Board 'wishes to state that the Mansholt proposals have the enormous merit of reviving the debate on the present state of and trends in agriculture at a time when there are too many people who would like to bury this issue so that they do not have to take the necessary action to support farmers, particularly those who are the least well off.'

On the same day, the Chambers of Agriculture published a very different communiqué stating for example: 'It is not a question here of proposals from a European Commission giving a "collegiate" ruling under the terms of the Treaty but the feeling of uneasiness in agriculture could be worsened by increasing uncertainty about the future policy even before the Government had been able to look into it or before the Council of Ministers had been able to discuss it.'

The Chambers of Agriculture said that the drop in certain farm prices was causing 'serious concern' at a time when production costs were rising. They felt that the Community should link the dairy market with that of fats; the latter was, they felt, the 'main reason for the present surpluses and for the disorganization of the butter market.'

With reference to the structures they stated: 'Slaughtering a quarter of the dairy cattle, sterilizing an area equal to that of ten départements, for one farmer in every two to leave the farms are unacceptable for agriculture, for farm suppliers and for commerce and industry which constitute the customers of agriculture.'

'By and large' the Chambers argued, 'these measures turn their back on the aims of the Treaty of Rome, on regional development and raise very serious employment problems.'

Lastly, the National Federation of Farmers' Trade Unions issued a much more guarded communiqué explaining that it did not want to assume any precipitate or ill-considered position.

On 12 December it was the turn of the Movement for Safeguarding Family Farms, of Communist leanings, to state its views. It announced that the Mansholt plan did no more than re-introduce and give greater emphasis to the main provisions of the Boulin plan; in fact it was going to launch a campaign against both these plans.

On the same date the Milk Producers' Federation published a text in which it expressed regret that provisions on the same scale had not been taken with respect to imported fats hand in hand with those affecting the milk sector; they should, it felt, have been part of a comprehensive policy for vegetable and animal fats; it added, however, that it was still too early to assume any final stance.

In the meantime a number of newspapers gave space in their 'letters to the Editor' to these controversies. In an article entitled 'A future for agriculture' in Le Monde on 15-16 December, Mr. Debatisse, Secretary-General of the FNSEA, stressed the almost revolutionary implications of the Mansholt plan. It went much further than the sound management of agricultural products; it affected the whole future of Western society. Mr. Debatisse endeavoured, at the same time, to take some of the heat out of the debate.

On 18 December, the Executive Committee of the Fédération Nationale de la propriété agricole (National Land Owners' Federation) expressed its views. These were wholly unfavourable, especially with regard to the structural reforms Mr. Mansholt proposed: 'He is trying to impose a theoretical model farm which experience had shown to be out of date before it had even emerged. The way agriculture had to evolve was perfectly consistent with upholding free enterprise,' the Federation concluded.

On 20 December the Board of the FNSEA met again and issued a new communiqué which gave some support to the Mansholt plan. The latter's positive features were the guidelines laid down for the common agricultural policy because guidelines had so far been lacking. There were also the provisions to facilitate structural progress in agriculture through various forms

of aid and through improving the retirement conditions for farmers who were no longer young.

Meanwhile, the Chambers of Agriculture were in turn expressing opinions, some of them rejecting Mr. Mansholt's proposals as being 'hazardous' or 'brutal'.

On 9 January 1969, the CNJA was received by Mr. Boulin, French Minister for Agriculture, after which it published a communiqué giving strong support to the Mansholt plan. 'It is of capital importance to defend this plan and to give support to the design for the future which it outlines not only for agriculture but for the economies of whole regions.' The aims were stipulated, the ways in which they could be achieved were indicated. It was an outline of a form of agriculture which, while being modern and efficient, was still consistent with human possibilities and likely to encourage the advancement of the individuals involved.

On 12 and 13 January, the statements of leading figures continued to come in. Mr. Jack Lequertier, Director-General of the National Union of Agricultural Cereal Co-operatives, said he thought Mr. Mansholt had, in his concern to modernize the 'structures' of agricultural production, not gone in sufficient detail into the marketing and economic structures and hence into the organization of the agricultural markets.

Mr. Lequertier recalled, however, that everyone knew that unless there was a comprehensive organization of the market from production to consumption, the producer of the raw material had the greatest difficulties in withstanding the deterioration in price which agents or final buyers imposed. Mr. Pierre Lelong, Deputy for Finistère, former Director of the Fund for the Guidance and Regularization of the Agricultural Markets, wrote in the 'Télégramme de Brest': 'The only original feature of the Mansholt proposals is in the emphasis on carrying out certain agricultural activities on a joint basis; this may even go so far as to bring several families of farmers to pool all their activities, leaving only their land and assets outside the scope of this dispensation.

This 'collectivist' feature itself, however, has nothing particularly frightening about it nor indeed should it attract exaggerated praise. The pooling of an increasingly large number of activities in agriculture is already a very old-established practice which has furthermore left its mark on French law.'

Mr. Pierre Lelong considered that Mr. Mansholt deserved to be congratulated on the procedure he envisioned at the level of the six member States for applying the structure measures. Under the new Mansholt plan the EEC would simply offer the framework for the decisions of the six States. Since the autumn of 1967 - when it was still proposing Community programmes which were wholly devised, financed and applied through the agency of the Commission - the latter seemed to have understood that an absolute centralization of the whole common agricultural policy could only lead to paralysis and waste. This was the beginning of a new and extremely interesting attitude.

On 28 January, Mr. Addeke Boerma, Director-General of the FAO, made an appeal to the Council of Europe in Strasbourg; he spoke of the 'bold plan' of his fellow citizen, Mr. Mansholt; he deplored, however, that it had been 'devised solely in relation to the European Community'. The Joint African and Malagasy Organization, meeting in Kinshasa on 1 February, expressed concern about the Mansholt plan which provided for taxes on oleaginous products of tropical origin.

On 1 and 2 February, the press published two opinions which were critical of the Mansholt plan. The first was from Mr. Blondelle, Senator for Aisne and President of the Assembly of Chambers of Agriculture. He thought that the whole plan should be rejected because it was the reverse of Community preference and was a gift to the industrialized countries which jibbed at sharing in the Community financing even though this was one of the imperatives of the Treaty.

The second was from Mr. Deleau, President of the General Association of Wheat Producers who wrote: 'Logically, it was reasonable to hope that the memorandum would contain, if not a mathematical approach, which would have been hard to devise, at least a more accurate evaluation technique to serve the interests of the inevitable discussion between the legitimate claims of the producers and the trend in industrial societies to secure food-stuffs supplies at the lowest possible price.'

The document published does not measure up to this expectation. We find in it a series of arguments that are sometimes contradictory and in no way constitute a coherent whole: these are statements of intention and not practical or realistic proposals.'

On 20 December 1968, meanwhile, when the Mansholt plan was provoking the liveliest controversy, Mr. Triboulet, President of the UDE Group of the European Parliament submitted an oral question with debate on behalf of his group to President Rey: in this he asked him under what conditions he was induced to authorize Mr. Mansholt, a member of the Commission,

to give such clamorous publicity to an agricultural plan whose political implications threatened the European idea; prudence and the normal practice ought to have advised him first to refer to the European Parliament and to the Council.

Mr. Triboulet referred to the press conference given by Mr. Mansholt when he presented his plan to the general public in the Community.

At the European Parliament's session in Strasbourg from 21 to 24 February, Mr. Rey answered Mr. Triboulet. He fully endorsed the statements made by Vice-President Mansholt and approved the press conference approach that he had chosen. Mr. Rey tried to bring the 'Mansholt plan affair' back into perspective; he tried, that is, to reduce it to less polemical proportions.

(Le Monde, 12, 13, 15-16, 19-21 December 1968, 10-13, 29 January 1969; Le Figaro, 11, 19-20 December 1968, 9, 12-13 January, 1-2 February 1969)

#### 4. Italy

The Italian trade union and professional organizations and the social categories most concerned, are, like the Italian press, continuing to analyse the '1980 Agricultural Memorandum'.

In an article which appeared on 1 January in 'Rinascita', the Communist review, it was reported that a meeting between the democratic farm workers organizations of the EEC member States - including, for Italy, the National Alliance of Farm Workers, the National Agricultural Co-operative Association and the Federation of Tenant Farmers (CGLI) - concluded by condemning the Mansholt plan. The article went on to say: 'It was rightly pointed out that this plan has its origin in real problems and it is by starting from this point that we come to the real reason for the concern which the plan has caused beyond and outside, as it were, the scope of the intentions of its author in all conservative circles. The Common Market today is a tangle of contradictions and any attempt to resolve them by recourse to the extremes of capitalist rationalization will bring with it factors liable to create imbalance in the real conditions of the Europe of today - the economic and legal structures of the capitalist society into which it is intended to insert them. The great "production units" envisioned in the plan are reactionary utopias; if they were envisaged as co-operatives or as associations of direct producers they would have a good chance of becoming the basis of a new order in European

agriculture. The "joint management of lands", the "merging of cattle farms" are things which have a realistic content against the background of a political and economic situation which is very different from that prevailing in Western Europe today.'

'Avanti!', the Socialist daily, maintained (with regard to the Mansholt plan) that it was not going too far to say that if the agricultural and market policy of the first ten years of the EEC had failed, this new plan would fail just as surely because it intended to give prominence to absentee landlordism and consequently it would neither improve the incomes of those who worked the land nor lead to specialization in agriculture. If the plan wished to adjust agriculture to economic exigencies and put it on a sounder footing it would first have to change and, if necessary, cancel out the value and the power of the great estates and of land income, and, secondly, to take the person who actually farmed as the basis of the new agriculture in his function as a fully-recognized contractor. 'The sizes of farms and stock-raising units planned in the "1980 Memorandum for Agriculture"' - the article goes on - 'are too restricted simply because they are for the most part shown in terms of area and ownership, whereas the only dimension which can give expression to a contractual capacity, increase incomes and plan production is the large economic dimension deriving from a system of associations and co-operatives.' The main reason why the wrong choices were made in the first decade of the EEC is the fact that tens of millions of lire were taken away from the incomes of those who worked the land and from the consumers, sums of money which went each year to land incomes and to middlemen operating between the agricultural producers and consumers. The aim of the next decade should therefore be to enable the agricultural producers, the workers and the consumers to enjoy the greater proportion of this value.

Mr. Ugo Luciani, the Secretary of the Italian Union of Farmers and Tenancy Farmers, affiliated to the UIL (UIMEC) addressed the Congress of the Provincial Union of Forli on problems concerning the Mansholt plan. He argued that irrespective of any assessment of the merits of the plan, there had to be a radical overhaul of the farm and market structures in agriculture because it was not possible to go on with a policy of allocating vast sums to support prices without this leading to any appreciable economic and social progress. Mr. Luciani was amazed that the Government had not yet convened a conference of the professional organizations of the agricultural community to establish a consensus on the views put forward in Brussels and he trusted that the Government would first consult the organizations involved before introducing reforms.

Mr. Bonomi, President of the Direct Farmers Confederation, spoke of two aspects of the '1980 Memorandum for Agriculture' i.e. restructurization and operating costs, when he addressed a group of leading members of the 'Clubs 3P': 'The Memorandum's proposals concerning incentives do not



satisfy us; nor do they leave us without anxiety. The Memorandum proposes to couple a cautious prices policy with a vigorous structures policy to give the best chance to a competitive agriculture that is closely integrated in the general economy of the Community. There are some grounds for fearing that the member States may interpret the caution inherent in the prices policy as an excuse for freezing agricultural prices and that they will forget to pursue a vigorous structures policy for reasons of cost.' Mr. Bonomi concluded by saying: 'Despite the aspects where reservations have been made which, in fact, could be removed by making appropriate changes and adjustments, the overall verdict on the Memorandum cannot but be positive.'

The views of the Confederation of Direct Farmers were also expressed in the bulletin 'Agra Europa' which points out that, despite the disagreement on this or that point, the Mansholt plan should be greeted with satisfaction because it had the great merit of restoring a balance by means of a modern agrarian policy embracing (i) structures and the social measures to redistribute income and (ii) prices - the Community policy so far seemed to have been concerned solely with the latter.

At a meeting of the Liaison Committee for Agriculture, Professor Gabriele Gaetani d'Aragona outlined the situation in agriculture and the reforms proposed in the Mansholt plan. He felt that the policy for supporting prices was not enough on its own to ensure a development of agriculture in the Community; it was necessary to concentrate on improving farm structures to reduce the disparity in Community agriculture in terms of incomes as compared with other branches of the economy; on the whole, however, he was in favour of the plan.

The Secretariats of the CGLI, CISL and UIL sent Mr. Rumor, President of the Italian Council of Ministers, a joint letter on the problems of the '1980 Memorandum for Agriculture'; they asked that the ministers concerned should hold full consultations with the trade union organizations and the workers before fixing the position of the Italian delegation to the EEC meetings and take into account the Government's commitment to introduce a procedure whereby the trade unions would always be consulted on general economic and social policy matters.

(Rinascita, No. 1, 3 January 1969;  
Avanti, 5 January 1969;  
AGRA Europa, No. 44, 16 November 1968;  
La Voce Repubblicana, 3/4 February 1969;  
Il Popolo, 13 February 1969;  
Il Sole - 24 Ore, 5 March 1969;  
L'Unità, 15 April 1969)

## 5. Luxembourg

In its monthly review, the Federation of Luxembourg Industrialists gave its views on the Mansholt plan: 'Luxembourg industry notes with satisfaction that the European Commission has had the courage to analyse the economics of agriculture objectively and to propose bold remedies.'

The Federation broadly endorsed the conclusions drawn in this analysis. As regards small farms, it wished to draw attention to Luxembourg's relatively favourable position within the EEC: the average area of the Luxembourg farm was 16.1 hectares, an average exceeded only in France (17.8 hectares). Similarly, French farming methods were on the whole, less intensive than in Luxembourg. The Luxembourg average compared very favourably with the general average of the EEC (7.8 hectares). Thus Luxembourg agriculture enjoyed a definite competitive advantage. The process of concentration dated back several years and was far from having ended; it was going hand in hand with a steady rise in the average area of lots.

According to Mr. Mansholt, farm incomes were lower than those of other social categories and the gap had been increasing in recent years.

While broadly true for the Community as a whole, the Luxembourg farmer seemed in a better position. The disparity which emerged in Luxembourg when gross figures were set against national income was seen on closer analysis to be non-existent. The farming community represented no more than 10 per cent (14,000 persons) of the total active population.

This figure included the wives of farmers. Excluding them, the percentage of the total active population engaged in farming was only 6.5 per cent; this figure included the entire wage-earning labour force and the whole male and female population (including those living on unearned incomes): the only categories not included were wives and housekeepers jointly subscribing to the Farmers' Medical Fund. This figure was fairly closely in line with the share of agriculture in the gross national product: 7.1 per cent in 1963 and 6.3 per cent in 1964. Parity of earnings was not a defensible economic and social policy objective but the Federation noted this has already been achieved in Luxembourg; Luxembourg's support for its agriculture could thus be on a smaller scale. Without disputing the benefits likely to accrue from creating large and highly-industrialized farms, the Federation wondered if this might not, in the long run, increase production: this would more than offset the reduction in output following the closing down of small farms.

It was to be regretted that the plan omitted to mention that the prices for agricultural products had to be arrived at as an effect of supply and demand and that protection for agriculture should not be greater than that given to other branches of the economy.

Lastly the Federation considered that it was probably not enough to grant assistance for the re-development of farms or to pay retirement pensions to farmers of retiring age to resolve the social problems thrown up by the exodus from the land. An annual rate of expansion of 3 per cent in the Community economy would hardly suffice to ensure that an adequate number of jobs was created to absorb all the surplus farmers in the Community.

In Luxembourg, however, the urgent need to create new jobs was also based on the fall in the number of jobs following demographic developments and the essential rationalization of industry.

In so far as Luxembourg was successful in setting up new industries, the rationalization of its agriculture could be effected without recourse to all the assistance measures provided for in the Mansholt plan. It would be easier to effect redevelopment because the farm owners were on average older in Luxembourg than in the other member States and because Luxembourg farmers already enjoyed a pension at the age of 65. This situation might even involve a reduction in the subsidies now listed in the State budget for agriculture. There would, however, still be a danger that a high level of prices would be maintained as the result of political pressure, with all the sacrifices this involved for society at large. This was particularly disturbing because the subsidies were coupled with large-scale credit facilities which were still being granted in many forms with a view to rationalizing the structure of agriculture.

(L'Echo de l'Industrie, No. 2, February 1969)

## 6. Netherlands

The 'Landbouwschap' (Agricultural Organization) agreed with the European Commission on the need to streamline European farming; Mr. Knottnerus, its President, however, felt that the memorandum was hardly more than a starting point for discussions and did not lend itself to detailed analysis: it either did not explain or prove beyond doubt the various theories it put forward and contained no practical proposals about finance. Mr. Knottnerus called for an effective rationalization policy and for a regional policy too, so

that jobs could be created in regions when farmers simply had to move to other sectors. He said that most of the conditions on which accelerating this movement depended, had to be met outside the context of agriculture. Action was needed to secure employment, to provide occupational retraining and to carry through a social policy.

Mr. Knottnerus said that Mr. Mansholt's proposals on production structures as a whole were lacking in clarity. An effort had to be made to lay down a common guideline for the Six to eliminate competitive anomalies.

His impression of the price proposals was that Mr. Mansholt had been so struck by the financial consequences of agricultural surpluses that his main desire was to save money on the prices policy. It was true that the Commission wanted to spend more on the structures policy but this would not affect farm incomes - under constant pressure from the all-round rise in costs - for a long time to come.

Mr. Knottnerus warned against the idea of abandoning or even of 'freezing' the prices policy; this would be absolutely intolerable for the farming community which was, thanks to the press, aware of the rising standard of living of those in other sectors.

The agricultural organization was, he said, in favour of what was being done to eliminate the butter surpluses and was ready to co-operate in an effective, larger-scale structures policy. While this difficult operation was going forward, however, a policy of enabling farmers and horticulturists to share the benefits of rising living standards had to be pursued.

1968 had brought home one hard fact: a common market such as that which became operative on 29 July for all the main products, (once the regulations on dairy produce, beef and veal had been adopted), brought with it problems on the Community scale. The rapid rise in agricultural productivity, the tendency to meet rising costs by increasing production and the lag in consumer demand had combined to cause steadily rising surpluses of such major products as milk, wheat and sugar beet. In common with the memorandum on structures, the price proposals which Mr. Mansholt put to the Council of Ministers on 10 December re-enforced the erroneous belief that the surpluses problems were a consequence of having out-of-date structures.

Mr. Knottnerus stressed that the Agricultural Organization did not approve the idea of freezing prices or of scaling them down. This was not only socially unacceptable: it would also hold back the improvement in structures to be made by the farmers and horticulturists themselves. There was

a danger that the farming community, which already had its doubts, would lose all confidence in the agricultural policy.

Mr. Knottnerus summed up requests which the Agricultural Organization wished to submit to the Ministry of Agriculture. The Dutch representatives in Brussels should be positive in their approach to a clearly-defined policy for structures both within and outside agriculture; this had to be coupled with (i) a reasonable prices policy, (ii) the elimination of prejudicial competitive anomalies affecting free movement and (iii) the creation of sufficient jobs outside agriculture.

Mr. T. Brouwer, President of the Catholic Federation of Farmers and Horticulturists, endorsed the underlying principles of the Mansholt plan. On the basis of these principles, the agricultural programme recommended ways of guaranteeing the economic security of the farmer, to give him a standard of living comparable with that of other sectors; but, he added, 'we are far from having reached this stage. Indeed, this whole operation depends primarily on what the individual farmer and horticulturist decides, of his own free will, to do. The success of a dynamic policy for farm structures, which goes hand in hand with a large-scale exodus from the land is closely dependent on the possibilities of reintegrating the people involved in other sectors.'

Mr. Mertens, President of the Dutch Catholic Federation of Agriculture and Horticulture, said at the organization's annual congress at 's-Hertogenbosch that the rationalization proposed in the memorandum was already under way in the Netherlands. This would go on more rapidly even if numerous provisions were not enacted.

Mr. Mertens repeated that the agricultural price proposals were completely unacceptable. He was aware of the considerable difficulties caused by the surpluses of some products but did not think any early improvement in this situation should be expected from decreasing prices.

Mr. Vredeling, a Socialist member of the Chamber, said that the weakest point in the Mansholt plan was how it was to be implemented in the Community. Mr. Mansholt intends only to issue overall directives for the programme as a whole, leaving it to the national legislator to implement them; this means that the national parliaments will not fully respect any of these proposals or ideas. The farm lobbies are particularly strong in the national parliaments and they are certainly not guided by European considerations. There is no doubt that the purely technical application of structural measures must be decentralized, but this cannot be done with political decisions - for technical reasons involving such factors as climate and soil. Does this mean that the national parliaments must give up these legislative responsibilities?

Indeed, that is what it does mean, but on one condition: the European Parliament must be endowed with the powers given up by the national parliaments. Any other solution would lead to absolute technocracy in Europe. And it was not for that reason that Mr. Mansholt - a few years ago now - left The Hague for Brussels.

The Federation of Christian Farmers and Horticulturists supported the Mansholt plan; its President, however, found it regrettable that the plan had coupled its proposals for the guide and intervention prices for certain products with the proposals relating to structures.

Mr. Lardinois, Dutch Minister for Agriculture, endorsed the quantitative analysis of the problem; between 1970 and 1980 emigration from the land on this scale would be necessary if the incomes of European farmers were to rise at a reasonable rate. He was not pessimistic on this point because data available showed that the large-scale exodus of the fifties would be followed by a movement affecting the older farmers, a fact which also emerged clearly from the information provided by the Commission: last year more than half of the heads of agricultural or horticultural enterprises in the EEC were over 57 years of age. This 'generation' problem could to a large extent be solved if such social measures as old-age pensions were adjusted to the needs of this category. Mr. Lardinois felt, however, that additional measures were necessary.

At an EEC Council meeting, he criticized the Commission's ideas regarding the size of production units, modern agricultural enterprises and organizations of producers. He felt these ideas were not flexible enough and very theoretical. Nonetheless, he gave an assurance that the Netherlands was ready to try out modern agricultural enterprises consisting of units of production of a given size and applying a given form of co-operation. He placed greater hopes in vertical integration, which had in fact gone further, than in horizontal integration where, despite a willingness to experiment, there was no indication of how to solve the problem of what form farms in the Netherlands or in the Community should take.

The Minister also drew the Council's attention to the responsibilities of the public authority. The Dutch view was the size of farms was not a matter for the public authorities but primarily one for the farmers and horticulturists themselves. This was not the case with laying down guidelines or removing obstacles in regard to which the public authority had to assume responsibilities. The present legislation was perhaps insufficiently adjusted to the growth of new kinds of enterprise. If this were so, the public authorities had a certain measure of responsibility. He had no theoretical objection to the units of production proposed because there was already a trend towards larger production units in the Netherlands.

A framework had been provided for studying projects and he intended to do his utmost to open discussions not only with the Parliament but also with business circles on the various aspects of the memorandum, bearing in mind the structural measures enacted in the Netherlands.

Mr. Lardinois felt that the period of ten years for the scheduled emigration from agriculture would not be needed; the length of time did not depend only on the plans drawn up but also on cyclical and other factors. It might be asked if the future structures policy would be consistent with Dutch law on successions and farm tenancies. Although the current law on self-employed farmers was similar to the proposals in the memorandum, it would be under-estimating the problems to conclude that the Mansholt plan had to be put into effect rapidly. Mr. Lardinois criticized the idea advanced in the memorandum that reforming structures would bring about a balance between supply and demand for agricultural products by the end of the seventies. This required closer study. If there were a real prospect of striking a balance, the memorandum would have to be consolidated with reference to various essential points.

The minister also noted that the price machinery used by the Community had been inadequate to correct the volume of production. The guaranty system had led to surpluses. It would not be possible to eliminate price machinery completely. A detailed analysis would have to be made, with an eye to its future effects, of the structural measures machinery. The application of the falling price regulations could lead to direct intervention at the production stage by means of less flexible and even, in the long term, more costly measures. The Mansholt plan provided for a reduction in production factors (e.g. slaughter of dairy cattle). In the long term the fall in the number of people occupied in agriculture would have little influence on the volume of production because capital took the place of labour sufficiently fast for this emigration to be offset quite quickly. It was true that there was a real prospect of a better balance between production and markets in the projects designed to give the Community more protection; these were in the proposals on supplementary taxes on vegetable fats and oils and on animal foodstuffs with a high protein content, i.e. foodstuffs of which the EEC imports 75 per cent of its needs. These positive factors, however, did not offset the prejudice to both consumer and producer. This was one of the fundamental points of the Community policy. It was noted on the Council that France was this year hoping the Community would increase the protection afforded. The Minister was thus not sure whether this question would not be linked with the 1969/70 prices. In view of the nexus between these two points, he might accept that other measures, such as fattening and slaughter bonuses and sugar quotas, be linked with the price proposals. The European Commission has also clearly stated its intention that the new levy proposed should take the place of the levy on vegetable fats and oils already decided upon but not yet implemented. In that eventuality, the Dutch Government would not be able to find a compro-

mise very quickly. The Netherlands did not wish to dissociate this issue from that of the powers of the European Parliament.

Mr. Maris, Director of the Institute of Agriculture, considered it essential to increase the size of agricultural enterprises. The European Commission, however, seemed to be thinking purely in terms of enlarging individual farms. He was surprised that the Commission devoted a great deal of attention to the costly means of achieving these aims but gave no thought to the solutions which would involve no expenditure for the public authorities: grouping farms together - which had already come about in the Netherlands. He felt that the Netherlands ought to draw the attention of the Commission to these possibilities.

(Nieuwe Rotterdamse Courant, 19 December 1968;  
Handels & Transport Courant, 17 December 1968, 9 January, 8/10, 14,  
27 February 1969;  
Press release from the Ministry of Agriculture and Fisheries,  
31 January 1969;  
Nieuw Europa, December 1968)

## 7. European Community farmers

### a) The Executive Committee of the EEC Young Farmers

The Executive Committee of the EEC Young Farmers was glad that proposals had been devised by the European Commission concerning the future of the agricultural policy.

The Committee was in complete agreement with the underlying principles and the objectives outlined in the memorandum.

The Committee was glad to note that the Commission had incorporated a great many of its requests in this document:

- (i) either in the form of clearly articulated measures such as satisfactory social conditions for those leaving the land:
  - support for occupational retraining and guidance in the choice of alternative employment;



- enlarging the units of production to make them both socially and economically viable;
  - improving the market structures;
  - bringing production into line with demand;
- (ii) or by announcing a policy for land under which the systems of farming and land ownership would be overhauled.

The Committee was aware of the tremendous psychological, financial and economic effort that the farmers would have to make in carrying through 'The agricultural programme for 1980'; but it thought that if this programme were implemented it would certainly be possible to obtain a higher yield in agriculture.

If the proposals designed to improve structures were implemented hand in hand with the agricultural prices announced for 1969/1970, the Committee considered that the prices would be enough on their own to make the execution of the programme possible.

This was why the Committee particularly urged the European Parliament, the Council of Ministers and the Governments of the member States to ensure that the necessary decisions be taken as soon as possible.

b) The Committee of Professional Agricultural Organizations (COPA)

The Committee had stated its views on the farm prices for 1969/1970 before Mr. Mansholt's press conference on 10 December (at which he outlined the three important documents of the Commission on the pattern of Community agriculture); COPA issued the following statement of its position:

1. The state of agriculture

- I) The Executive Committee notes that the gap between farm incomes and the earnings of comparable occupational categories subsists and has even grown worse, despite an increase in productivity. This may be because of the following factors:
  - a) There has been an average overall increase in the agricultural production costs and wages of 4 to 5 per cent in the last few years;

- b) current prices on the market (viz. which the producers obtain) are below or no more than the target price levels and hence lower than those of previous years;
  - c) the failure to adhere to the principle of Community preference in many sectors;
  - d) some competing or substitute products by-pass the import regulations for the organized agricultural markets and this creates a competitive anomaly;
  - e) the lack of any market organization for many products still not subject to regulations (wine, tobacco, potatoes, sheep, horse meat, alcohol, lucern, linen, hemp, forestry products, mushrooms, chicory roots.....).
- II) The Committee would point out that the stable or falling agricultural prices at production - made possible by containing farm incomes - has greatly contributed to the Community's economic stability. Increases in food product prices have been due to rising costs in processing and distribution.
- III) The Committee notes that according to '10 years in figures' published by the Statistical Office of the European Communities, the Community's present 'self-supply' rate in terms of farm products is falling.

## 2. Underlying principles for setting prices

- I) The Committee recalls the need for an overall well-balanced policy in agriculture, with greater attention to the problems of improving structures and to the social status of farmers but with the market organizations and the prices and markets policy retaining pride of place;
- II) To contain or cut farm prices would be unacceptable because this could worsen the incomes disparity; on the contrary, the general level of prices should be adjusted by reference to the following criteria:
- a) the need to bring the general level of prices into line with the general trend in production costs, bearing in mind progress in productivity and the gap between farm incomes and those of other occupational categories;

- b) the relative importance of the prices paid for different products in the make-up of farm incomes;
  - c) the need to ensure that farms raise their own investment finance at a satisfactory rate;
  - d) the direction it is thought desirable to impart to the various productions.
- III) Reference should be made to the annual report on the situation of farming and farmers for some of the basic factors to be used in price setting. This should have served as the basis for consultations with the COPA on the part of the Community authorities on the prices to be set by reference to these factors.
- IV) The Committee again regrets that consultations did not take place on the prices to be set for the 1969/1970 farm year.

With reference to prices, COPA proposes that for 1969/1970 they should be increased by 1-2 % for wheat, 4 % barley, maize, pig meat, rice and rye, by 5-6 % for oleaginous seeds and by 5 % for beef and veal. For milk COPA asks that certain corrective factors should be dropped so as to give a guide price of 39 pfennigs per kg ex-farm on the basis of a 3.7 % fat content. For butter, COPA asks that the intervention price should be set at the highest level now obtaining. It also proposes that the prices for milk powder should be raised.

When the Executive Committee of COPA was meeting in Brussels on 7 February 1969, Mr. Deleau (who succeeded Mr. Dumont de Chassart as President of COPA) told a press conference that the COPA stood by the position it had previously adopted.

He said that COPA would take a final stand in May about the long-term measures proposed by the European Commission.

With reference to the short-term measures proposed in the Mansholt plan, Mr. Deleau said that COPA had accepted a change in the system for pricing milk as suggested by the Commission but it thought it was going too far to reduce the price of butter by DM 2.50 per kg. It therefore proposed that this reduction should be no more than DM 1.50 subject to certain conditions, particularly that there should be a corresponding increase in the whey content (nitrogenous components). COPA agreed with the principle of giving assistance for the complete and final winding-up of milk production and the

award of fattening bonuses for beef cattle; at the same time it proposed additional measures. Mr. Deleau also stressed the need to increase beef and veal prices because production was not keeping pace with demand and world supplies were not increasing sufficiently. It considered that to establish a balance on the milk market there had to be a dynamic, comprehensive policy for fats (increasing the prices of products other than milk products).

With reference to the fruit and vegetable market, COPA asked that there should be a better balance to avoid the destruction of good quality fruit which the general public viewed with justifiable distaste. He thought that this could have been avoided in many cases if there had been a better control with respect to categories for fruit and vegetables. He trusted that there would be more support for producer co-operatives, especially through a common trade policy; during the last season Cape apples and peaches from Greece had been imported while large quantities of these fruits produced in the EEC were destroyed.

(L'Agriculteur, Nos 48 and 51, 7 and 28 December 1968;  
Cote Desfossés, 7 February 1969)

## DEVELOPMENT OF EUROPEAN INTEGRATION

### At the National Level

#### I. GOVERNMENTS AND PARLIAMENTS

##### Germany

1. Mr. Strauss, Federal Minister for Financial Affairs, rejects the idea of nuclear weapons under German control and advocates the early accession of the United Kingdom to the Common Market

On 18 December 1968 Mr. Strauss was interviewed by the Daily Telegraph. In answer to a question about nuclear weapons for Germany he said that he often came near to retiring because of the inability of others to understand his point of view: 'I repeat: no nuclear weapons under German control but a European Government with integrated European nuclear armaments potential. It would be impossible completely to exclude Germany from a European Government. But I would be ready to give a firm promise that no German should, in the foreseeable future, occupy the post of Prime Minister, Foreign Minister or Defence Minister in a European Federation.'

He also advocated an early agreement for the automatic accession of the United Kingdom to the Common Market after a transitional period of a few years.

Interviewed by Mr. Georges Vine, Bonn correspondent of the Daily Mail, on 10 February 1969, Mr. Strauss said that Britain's accession should be the main priority.

Mr. Strauss rejected de Gaulle's view that the United Kingdom was not yet ready for this: 'For me British accession has the same priority as European unity: that is the highest priority. If Europeans do not take advantage of the opportunity to integrate in the next two or three years this will set the seal on the political decline of Europe.'

Mr. Strauss defended the Franco-German Treaty but noted that co-operation between the two countries left much to be desired. He described Europe as the only logical way of reuniting Germany while safeguarding world

peace; in this context a united Europe would have to support German reunification. 'I would not advocate joining a federation which expressly ruled out the right to self-determination. It is true that Germany cannot expect its partners to adopt a hostile attitude to our neighbours in the East so as to further German claims. But the endeavour to create supranational political and economic authorities in Europe would fail if the essential rights of individual members were ignored or brushed aside.'

Mr. Strauss spoke in favour of creating a European hard currency block incorporating the pound and called for negotiations to work out an interim solution which would make it possible for the United Kingdom gradually to bring its economy and especially its agriculture into line with the Common Market: 'Without the United Kingdom Europe will be incomplete. We believe that a link between London, Paris and Bonn is the most solid basis for guaranteeing the interests of Europe at large in relation to the superpowers.'

(Frankfurter Allgemeine Zeitung, 19 December 1968;  
Industriekurier, 21 January, 11 February 1969;  
Die Welt, 19 December 1968, 11 February 1969)

2. Mr. Schiller, Federal Minister for Economic Affairs, calls for a close co-ordination of economic policies in the EEC

At its meeting in Dusseldorf on 28 and 29 January 1969, the Franco-German Committee for Economic and Industrial Co-operation called for an early realization of the European-type company to facilitate business amalgamations in the Common Market. The meeting was attended by Mr. Schiller and was conducted under the chairmanship of Mr. Huvlin and Mr. Berg, Presidents respectively of the French and German Federations of Industry. Mr. Schiller called upon businessmen to promote co-operation and intensify Franco-German business relations. He also advocated an even greater economic interpenetration in the Common Market.

Every effort had to be made to render unnecessary such abrupt changes as the law on external trade insurance he stressed. As was seen at the meeting of the EEC Ministers for Economic and Financial Affairs, recent experience had led to a greater willingness to co-ordinate.

He hoped that it would soon be possible for the French Government to remove the remaining restrictions, particularly those on currency move-

ments. The measures taken by the Federal Government on external trade had helped to create the necessary conditions for this.

Mr. Berg said that one consequence of these measures for French and German businessmen was that it had shown the need to keep the two markets open or to re-open them as soon as possible. The external trade balance between the two nations had to be supported by steady expansion and by close economic and political co-operation in the EEC.

(Die Welt, 30 January 1969;  
Deutsches Monatsblatt, 29 January 1969)

### 3. Mr. Wilson visits Bonn

On 11 February 1969, Mr. Wilson, British Prime Minister, went on a three-day visit to Bonn for political talks with the Federal Government. After two days of talks, Mr. Wilson and Chancellor Kiesinger issued a joint statement emphasizing the obligation their Governments were under to work for the realization of Britain's application to join the EEC.

In the statement which Prime Minister Wilson made to the home and foreign press in Bonn, he said: 'The British Government is upholding its application for membership of the European Communities. Both Governments have undertaken to work for the realization of its objective. They will, with other European Governments, look into ways in which a new impetus can be imparted to the political unification of Europe.'

In a joint statement, both Governments expressed their conviction that the United Kingdom and the Federal Republic were bound together by common interests and common aims and, above all, the unity and security of Europe. 'Hence we stress our determination to go forward together as partners. The security and prosperity of Europe call for unity. Only if it is united will Europe be able to make its legitimate and beneficent influence felt in the world. Both countries consider that a united Europe without the United Kingdom is inconceivable.'

Mr. Wilson told the press about his talks with the Federal Chancellor, which had been 'good, constructive and lively'; they were resolved to deal with the situation as it was and not as they would like it to be. Both

Governments reaffirmed that their security depended on the existence and on the consolidation of the Atlantic Alliance.

Mr. Wilson expressed the view that the eternal rejection of Britain's application had had a bad effect on the development of the EEC. The European Economic Community had to go forward. It could not stagnate without atrophying. Mr. Wilson agreed with a questioner who said that there had been a certain disappointment in the United Kingdom over the rejection of Britain's application. The overwhelming majority of the British Government, Parliament and people were in favour of accession. It was certain, however, that the everlasting delays and blocking tactics were proving very expensive, not only for the EEC but for the whole of Europe.

On a point as to whether he was ready to accept purely commercial arrangements with the EEC, he said that the United Kingdom would make a close analysis of all proposals, provided that they came from the Six as a whole; there was no sense in bilateral proposals. If joint proposals were made for commercial arrangements, 'it would interest us a great deal'. The British Government would have to see, however, whether such proposals could be seen in relation to later membership or whether they had to be taken as an alternative to accession.

Mr. Wilson said that the British Government would be taking its decision on the Airbus project 'when we have had time to look into the commercial aspects in detail'. The programme was extraordinarily expensive. The advantages of sharing the costs between the European partners and the advantages of a joint European market were obvious. The experience of individual aeronautical engineering industries had made it necessary to make a close scrutiny of costs and profits. One had to have some idea of what such a project would cost and also examine which type had the greatest chances of success; then a decision could be taken whether the project could be carried through by three States or whether other States could co-operate in the project.

Mr. Wilson said that his talks with the Federal Chancellor had to be seen against the background of the overwhelmingly important visit of President Nixon. He gave an emphatic assurance that he had come to no understanding with the German Chancellor on a common line for the visit of President Nixon.

Progress towards the unification of Europe was, in the British view, not possible because Europe was economically divided. Mr. Wilson referred to the WEU discussions in Luxembourg the previous week, at which a small but welcome step forward had been taken.



Prior to this Mr. Wilson was the guest at a breakfast offered by Mr. Alwyn Münchmeyer, Vice-President of the German Chamber of Commerce and Industry. He had an opportunity of talking to around 30 leading German industrialists and businessmen on trade relations and on the possibility of enlarging the EEC through Britain's accession.

Mr. Fritz Burg, President of the Federation of German Industry, and Mr. Fritz Dietz, President of the German Federation of Wholesalers and External Trade Specialists, were among those at the talks. Mr. Herbert Blankenhorn, German Ambassador in London, and Mr. Roger Jackling, British Ambassador to Bonn, were among the guests of the German Chamber of Commerce and Industry. The latter proposed that a joint Anglo-German trade and investment committee should be set up. This would consolidate the co-operation between the two countries in economic affairs and technology.

(Bulletin of the Press and Information Office of the Federal Government, 14 February 1969;  
Frankfurter Allgemeine Zeitung, 12 and 14 February 1969)

#### 4. The Bundestag debates European policy

The 1969 budget was given its second reading in the Bundestag on 19 March 1969; the plans of the Chancellor's Office and the Foreign Office regarding European policy were also discussed.

Mr. Mischnick, spokesman for the FDP (Free Democratic Party) opposition, took advantage of the occasion to express strong criticisms of the Government's European policy. Following the consultations in Paris, he said that the whole of the West European policy was still stumbling on three points: (i) the French view was that West Europeans had first to free themselves from the American domination and recognize French leadership in Europe before they could co-operate more closely; (ii) the continued rejection by France of the accession of any other States to the EEC and (iii) the fact that France took a different view on the German question.

According to the Chancellor's statement, it might appear at first as though everything regarding European policy were better but it had to be recognized that everything was the same as in 1966 if not even worse. It was not easy to overcome difficulties but his Party had the impression that the Chancellor was still only taking a waiting line on European policy.

He pointed out that the 1970 time-limit was near at hand. Agreements concluded in the EEC could lead to fresh reflections. This time-limit should prompt the Government to make its own position clear and to make it clear to others that what was involved was not only its will but the FDP's will and the common will. Concern might be expressed that France would leave the EEC but this was a fear his Party did not share; it was convinced that France needed the EEC as much as Germany. Mr. Mischnick said that any discussions on a new form for the European policy (involving certain agricultural regulations and financial levies) could not go so far as they had done before; one should not simply take over opinions from France but one should define one's own views on European policy more firmly.

Mr. Brandt, Foreign Minister, took advantage of this opportunity to give his views on European policy: following the Franco-German consultations of the previous week, the Federal Government saw no reason for changing the aims of its European policy; these included the internal development of the European Communities to the stage of a complete economic union and working for the enlargement of these Communities.

The Government still felt that the internal consolidation of the Communities had to be coupled with a co-ordination and harmonization of national economic and monetary policies. Otherwise tensions and crises could threaten what had been achieved so far.

With reference to enlargement, nothing had changed the fact that Europe, as indeed France and England, had to be equal to the tasks ahead of them. By this he meant that the economic and political strength of France and Britain had to be used to serve the needs of Europe. He did not see why the accession of Britain and the other applicant States needs must change it into a kind of free trade area. He was, however, ready to have further discussions with France and the other member States over the consequences of enlarging the European Communities. At the same time the applicant States should have an opportunity of setting out their views.

The Government thought that such talks would show that Europe could not look forward to a better future if, as was the case at present - to the Government's great regret - its structures were broken up; only the rules of the EEC Treaty could guarantee economic union and political co-operation on the basis of a complete equality of rights in a system of equal interests. These rules should also be applied in an enlarged community.

From statements made in the foreign press, the impression had been gained that the Federal Government had gone back on its previous line

concerning the European Communities. To some extent these press statements had wrongly described the German position; there would be talks with the United Kingdom and other States about accession. 'I should like to state explicitly that these statements are misleading. I am certainly not disclosing a secret when I tell you that the French President has again repeated his view that the accession of the United Kingdom and other countries would change the character of the EEC.

Our view, however, is that the balancing of interests - I am thinking here of agricultural policy - would be easier to effect in a larger Community. We do not think that the Community would basically alter its character in the event of its enlargement. We are, however, quite ready to study these problems with our friends with a view to practical objectives. The same willingness applies when it comes to discussing inter-governmental co-operation on economic and defence policies in a larger context than that of the Community.'

Mr. Majonica, the CDU (Christian Democrat Union) MP stressed that there should be no thought of an alternative to the European Economic Community as far as the Federal Republic was concerned. Germany had unconditionally and in all circumstances to stick to the EEC for it would otherwise be impossible to overcome the anxiety which might stem from Germany's having an unduly strong economic position. This anxiety could only be overcome if the Federal Republic remained firmly integrated within this Community.

He therefore found it regrettable that there was no longer any discussion about the strength of the institutions in connexion with the internal development of the European Community. He was thinking particularly about the introduction of majority decisions on the Council of Ministers because the unanimity principle was a factor making for disintegration; majority decisions made for integration in a council that had become so important. From this point of view it was also necessary for the European Commission to have executive powers and it was necessary to strengthen the rights and responsibilities of the European Parliament. In view of the Community's current difficulties, this problem had fallen into the background but it should not be forgotten that this was the decisive issue. If it were argued that enlarging the EEC through the accession of the United Kingdom and the other applicant States would change its character, it was equally true that it would only do so if the institutions were not strong enough to take on new members. The best way to enlarge the Community was therefore to strengthen the institutions.

Mr. Apel, the SPD (German Social-Democrat) member, took as his focal point the arguments about building a bridge between the EEC and EFTA; the SPD rejected these as unacceptable, for they were unwilling to

impair the structure of the EEC which remained the cornerstone of European integration. Hence plans for 'bridge-building' projects could not be accepted if they called into question the democratic equality of rights of the West European countries or if they involved relationships of subordination or domination.

Mr. Kahn Ackermann, the SPD member, concentrated on cultural policy and called upon the Federal Government to make every possible effort to see to it that the German language enjoyed the same status in all European centres where this was still not the case.

(Bulletin of the Press and Information Service of the Federal Government,  
No. 36, 21 March 1969;  
Bundestag, 221st session, 19 March 1969)

## Austria

1. Address by Mr. Otto Mitterer, Federal Minister for Trade, Commerce and Industry to the Austrian Parliamentary Council of the European Movement on 'Relations between Austria and the EEC'

The Austrian Parliamentary Council of the European Movement organized a conference 'The Neutrals talk in Vienna' on 7 January 1969 at which Mr. Otto Mitterer spoke about relations between Austria and the EEC.

He began by saying that Austria's policy was guided not by illusions but by realities. These realities included the fact that Austria's endeavours to come to a special arrangement with the European Communities had encountered obstacles which were due to reasons beyond Austria's control. The question as to the principle of whether and how the Communities were to be enlarged was currently being discussed by the EEC.

While maintaining its integration objective, i.e. to come to a special arrangement with the European Communities which would take into account the political and economical circumstances of Austria, and provide a permanent settlement for Austria's economic relations with the Community, Austria's policy with regard to integration in Europe could, if it was to be realistic, only be aimed at looking for other ways of attenuating the discrimination against its traditional exports to the EEC. There was, however, no reason why Austria itself should at this stage abandon its original aim of a special arrangement governing its economic relations.

During the visit of Mr. Jean Rey, President of the EEC Commission, at the end of March last year, Mr. Mitterer had indicated that in view of the delays encountered in realizing Austria's integration objective, the Austrian Government considered it its duty to explore every possibility which could lead to a removal of the restrictions on trade between Austria and the EEC so as to ease the strain on Austria's economy. Mr. Rey showed a full understanding of the situation described and gave an assurance that the Commission would draw the attention of the Council of Ministers to the Austrian situation in the context of discussions on enlarging the Community.

In the meantime, steps had been taken in the agricultural sector to ease the strain on Austrian exports. Similarly, talks were being held between a delegation of Austrian officials and a delegation of the European Communities on current problems in the steel trade and the steel industry in Austria and in the member States. These talks represented the continuation of a discussion, along the lines of talks formerly held at regular intervals between

Austrian officials and the High Authority of the Coal and Steel Community.

In the interim, efforts had also been made within the Community to resolve the difficulties which had stemmed from the renewed application for accession of the United Kingdom and its rejection by France. In this respect, a series of plans and proposals had been made which the Austrian Government had followed with the greatest interest. These plans were known on the one hand as those of Mr. Brandt, German Foreign Minister, and on the other under the name of Mr. Harmel, Belgian Foreign Minister, as the Benelux Memorandum; there was also a 9-point proposal by Mr. Debré, French Foreign Minister. In February 1968, Italy, too, had submitted an aide-mémoire giving its views on resolving the crisis.

All these proposals were still being discussed by the Permanent Representatives whose brief it was to continue the current discussions on trade policy arrangements in close co-operation with the European Commission, taking into account the explanations, questions and contributions of the delegations of the member States.

At the session of the Council of Ministers on 9-10 December 1968, Mr. Debré, French Foreign Minister, once again gave the French standpoint on extending the arrangements with applicant States that did not seek full membership, drawing attention to the very good relations with them, particularly with Austria and Switzerland. He mentioned, as indeed did Mr. Brandt, the German Foreign Minister, the interest shown by the EFTA Ministerial Council in a trade arrangement with the European Communities and in the discussions conducted to this end.

Mr. Jean Rey, President of the European Commission, discussed this further at the EEC Council meeting on 9-10 December and said that the European Commission was ready to continue the negotiations with Austria and awaited a mandate for this purpose. He further clarified his views on a trade arrangement in a press conference on 17 December.

The Council meeting in question was significant for other reasons. The member States agreed on negotiations concerning technological co-operation; this could open the way to co-operation in this field with other interested European countries. The French proposal for creating a standard European patent law which provided for the participation of other European countries, was also discussed. Austria has of course repeatedly announced its interest in such co-operation.

In conclusion it may be said that the internal discussions on all the proposals outstanding have not been completed. This applies particularly to countries which would come within the scope of a trade arrangement and whether this would be consistent with GATT. The disagreements between the member States concerning the purpose of such a trade arrangement and the ancillary issue as to which States should be involved, have so far not been resolved. Developments have shown that a great deal of patience is still needed if success is to be achieved in bridging the economic division of Europe and in overcoming it. The Minister emphasized that no one would suggest that the law could be laid down on the trade of such small States as Austria. It did not mean that Austria would refrain from drawing the attention of the European Communities to its special position.

The external trade policy of the Austrian Government consisted in expanding its economic relations with all States; the Government had gone in for trade policy initiatives on all sides. A good example for Austria was Switzerland which had always directed its trade policy by reference to world markets.

In conclusion, the Austrian Minister for Trade emphasized that Austria had become more clear-headed after so many years of disappointments. This, however, should not be regarded as resignation; on the contrary, Austria knew that the future of Europe could only lie in a great European market and Austria had this aim constantly in view and the Federal Government should continue along these lines if it wished to pursue a responsible economic policy.

(Die Industrie, No. 3, p. 13, 17 January 1969)

## 2. Federal Chancellor Kiesinger visits the Austrian capital

Federal Chancellor Kiesinger was in Vienna for political talks from 27 to 29 March 1969.

There have been no special problems affecting the friendly relations between Austria and the Federal Republic for many years now, so that the Chancellor's visit to Vienna was primarily for an exchange of views.

The first part of the talks was devoted to a review of world politics. East-West relations were discussed in detail being a matter of moment and

affecting the interests of both countries. Their interests were not the same but they had the same end in view: maintaining peace and security in Europe. Chancellor Kiesinger read events as meaning that the basic attitude of the Soviet Union had regrettably not changed, even after the Budapest statement of the Warsaw Pact countries. He then informed his Austrian colleague of his recent meetings with President de Gaulle, President Nixon and Mr. Tsarapkin, the Soviet Ambassador in Bonn.

Dr. Klaus, the Austrian Chancellor, spoke of the impressions he had gained from his talks with East European statesmen and politicians. This raised the point of how far Austria, as a neutral country on the borders of East and West, could really play the rôle of a go-between. Austria's efforts to secure acceptance of the Federal Republic as a full member of the Danube Commission came under this heading.

One of the main issues raised by the Austrians who took part in the discussions was the problem of an arrangement between Austria and the European Communities. Chancellor Kiesinger stated, both at the working meeting and at a press reception, that Bonn fully supported Austria in this matter because Austria had, in any case, to preserve its position. Whether further efforts could be made on the basis of the ideas held so far or whether a new approach would have to be found could not yet be determined.

The joint communiqué issued at the official conclusion of the visit dealt particularly with the question of the Common Market: 'One of the main focal points of the talks were the efforts of the Austrian Government to settle Austria's relations with the Common Market.' Federal Chancellor Klaus described the considerable difficulties now facing the Austrian economy in its efforts to export to the Common Market and he stressed that Austria still attached great importance to a comprehensive settlement of its economic relations with the Common Market. Until this was achieved, Austria would endeavour to take advantage of every opportunity that might seem appropriate to secure the urgently required facilities for boosting Austria's external trade.

Dr. Klaus stressed Austria's interest in the trade arrangement being discussed in the EEC. He also referred to some of the special problems of Austrian industry and agriculture, which came up for discussion between Austria and the EEC. The wish was expressed that this special position would have the support of the Federal Republic on the responsible bodies of the EEC.



Dr. Kiesinger said that the German Government understood the wishes expressed on the Austrian side and was ready to support them to the best of its ability.

(Die Welt, 29 March 1969;

Frankfurter Allgemeine Zeitung, 29 March 1969;

Industriekurier, 29 March 1969;

Neue Zürcher Zeitung, 31 March 1969;

Bulletin of the Press and Information Office of the Federal Government,  
No. 42, 1 April 1969)

## Belgium

### 1. Senate

#### a) Debate on European policy

On 15 January 1969 the Senate discussed the bill covering the 1969 budget of the Ministry of Foreign Affairs and External Trade. The Government and the Senate took up positions on the main aspects of European policy.

#### Position of the Government

Mr. Harmel, the Foreign Minister, outlined the Belgian Government's attitude to the problems raised by the construction of a united Europe. He also reviewed his Government's policy on the implications of that policy at European level.

### I. Belgium's European policy

Mr. Harmel discussed Belgium's general policy on Europe under five heads:

- Western Europe should concert not only its economic policies but also their social, technological and monetary implications. It should concert its 'external' policies, i.e. foreign and defence policies.
- The Treaty of Rome remained for Belgium the solid nucleus around which policies other than economic policy should step by step be built up.
- There could be no whole Western Europe without the presence, solidarity and friendship of its major countries - France, Britain, Italy and the Federal Republic of Germany.
- There were already enough European institutions. There was no point in adding to them, but fresh life should be breathed into those that already existed.
- In the difficult times through which Europe was passing, the Belgian Government rejected a false dilemma - the fact that it was for the time being impossible to enlarge the Communities

would not justify abandoning the efforts to complete them. On the contrary, Belgium had for three years been saying that Europe should be built wherever the opportunity arose, and that the internal development of the Communities should be pushed ahead with if possible, as Belgium thought indeed it was.

Mr. Harmel went on to suggest a number of concrete measures to be taken at Community level. He felt that it was as essential now as in 1955 to show that a united Europe could and ought to be created.

#### 1) Pursuit of European integration at Economic Community level

The first aim was to complete the Community's internal development. Mr. Harmel distinguished between three aspects: institutional progress, additions to and adjustment of earlier decisions, and decisions to be taken in fields where much remained to be done:

- Institutional progress was essential first for the smooth functioning of the Council deciding by a majority on all matters not made subject to the unanimity rule by the Treaty, and on all matters not affecting regulations previously decided upon unanimously. Institutional progress was also needed, if the Commission were to perform a real managing rôle and if the powers of the European Parliament were to be widened. Mr. Harmel suggested that the Six should take a political decision under which, once the technical aspects of a question had been thrashed out, the Council would undertake to pursue the matter with the determination to reach a decision after having put it not more than three times on its agenda. Such institutional progress would mean a limited surrender of sovereignty and the delegation of powers, in the absence of which it would be difficult for economic union to make any progress;
- Certain sectors in which a policy had already been defined would have to be covered by new regulations. This applied to the common agricultural policy which called for an internal financial constitution relating to an independent source of Community revenue, and for some way of dealing with the heavy financial burdens imposed by growing agricultural surpluses. The same applied to the extension of the customs union; customs checks would have to be eased, exemption quotas increased, regulations and directives adopted, particularly as regards transit trade in the Community, and technical obstacles to trade abolished;

- The main lines of Community policy would have to be sketched out on questions of monetary solidarity, energy, transport, external trade relations and regional and social problems.

Mr. Harmel laid emphasis on particular aspects of economic policy, i.e. the statute of a European company, the harmonization of taxes, a European patent, the problem of amalgamations and other arrangements, the establishment of a European financial market, and research and technology.

The Belgian Government's proposals also covered external relations. It considered it advisable to ascertain at least the date on which negotiations on applications for entry into the Community would be opened, and outlined the nature and aims of the formula for a commercial arrangement. This should help materially towards the enlargement of the Communities and could be proposed to non-member countries as a significant step on the road to European unification. It ought to comply as closely as possible to the provisions of Article XXIV of GATT and should therefore include a timetable for customs dismantlement and for abolishing other restrictive commercial regulations hindering essential industrial trade between the EEC and applicant countries.

The Belgian Government felt that the trade arrangement could not rule out the possibility of accession by States that had applied for entry, without upsetting the balance between the customs union and the free trade area set up under that arrangement.

Finally it considered that the new sectors in which the Community would strengthen its unity - patents, technology, the European company, etc. - ought to lead to contacts between the Six and applicant States so as to ensure better exchanges of information and, if possible, to bring their policies more closely into line.

## 2) Fresh impetus for a united Europe through WEU

Belgium's European efforts were not confined to the internal development of the Community of the Six. They also included a cautious experimental approach by the Seven to relaunch the European policy.

Mr. Harmel made his intentions quite clear. His ideas were based on the talks held at Bad Godesberg in 1961 when the heads of State of the six Governments decided to give concrete form to the will for political union implicit in the Treaties establishing the European Communities, and to hold regular meetings with a view to concerting their policies and adopting common

approaches so as to facilitate political unification of Europe and thus strengthen the Atlantic Alliance.

Certainly this had the appearance of a compromise. And Belgium remained willing to accede immediately to a treaty establishing a United States of Europe. But this attitude was not shared by all its partners, and in 1968 the political aims of the Treaty of Rome, like the need to enlarge the Communities, were under dispute. This was why the Belgian Government proposed that the seven WEU States should carry out among themselves a continuous experiment, to be renewed and improved from year to year, in the field of political consultation. Member States would have to undertake politically not to adopt a national approach to questions chosen for discussion each year, without first ascertaining the views of their partners. WEU was so far the only institution that laid down obligations in the political sphere and for which a council of members had been set up. The new drive should make it possible to show whether Great Britain, which had applied for admission to the Common Market, had undergone the desired political conversion and whether the conditions for a truly European policy could be defined jointly with that country.

## II. Belgium's security policy

The Government sketched out the general conception of the Atlantic Alliance based on three considerations :

1. The Atlantic Alliance has provided its members with a defence organization capable of deterring any aggression without at the same time ruling out co-existence or even the beginning of a détente;
2. It is conducive to European solidarity. It is known that European interest focused on the setting up of the Alliance. It was the action of the European countries that, with the signing of the Brussels Treaty, opened the way to an enlarged Atlantic Alliance. Again, after the breakdown of the E.D.C., when it was found impossible, at a strictly European level, to solve the problem of reintegrating Germany in the concert of Western nations, the Brussels Treaty was revised and Nato assigned the tasks of defence and military organization provided for in the Treaty. The setting up, more recently, of a group on nuclear consultation reflects Europe's desire to know the line of nuclear strategy that concerns it.

This has not prevented demands from being raised almost everywhere that the European element in the Alliance should be reinforced and expressed more distinctly and systematically.

Although the European States are justified in nourishing this ambition - the Alliance could not be tolerated if the concerns of the States directly affected were left out of account - they must assume their share of responsibility. It is in Europe, however, that one meets resistance to bearing the burdens entailed by the responsibilities claimed. It is in Europe that reluctance to arrange matters on the basis of a uniform approach is still being shown. The rôle Europe wants to assume in the Alliance therefore largely depends on the Europeans themselves. Changes in strategic and economic factors are bound to pose this problem more and more acutely. It is for Europe to accept the challenge and to take the future into its own hands;

3. The Alliance makes it possible to organize relations between its partners and the super-power, the United States. No attempt to revive privileged bilateral relations will help to deal with the present problems. Only by means of a multilateral organization can a suitable degree of equilibrium be established that will serve the legitimate interests both of the super-power and of its small and medium-sized partners.

For the small powers this would be the only chance of having a say in decisions which otherwise, and in view of the circumstances, would apply to them even if they were not partners to the Alliance.

As regards disarmament the Belgian Government felt that some time should be spent on reflection before deciding how to relaunch efforts at détente after the occupation of Czechoslovakia. It continued, however, to feel the keenest interest in the move provisionally started.

In the Foreign Affairs Committee, the treaty on the non-proliferation of nuclear weapons gave rise to a debate at the conclusion of which the Committee expressed the hope that the Belgian Government would do its utmost to ensure that the treaty was signed and ratified by the countries of Western Europe - and particularly by West Germany - as it was a first, if modest, step towards disarmament. In addition the Committee had noted the Minister's statement that the negotiations between Euratom and the International Atomic Energy Agency in Vienna could not be brought to a conclusion until Italy and Western Germany had signed the non-proliferation treaty. This was one more reason for insisting that, in a matter of such importance, Western Germany should get down to action.

## Speeches in the Senate

For the Socialist Group, Mr. Dekeyzer spoke of the effects of French policy on Belgium's economic situation. 'France's conception of a Europe extending from the Atlantic to the Urals is mistaken. Need one mention its experience with the atomic bomb, its monetary policy, its conception of Nato, its veto against British entry into the Common Market, its relations with the Soviet Union, its flirtation with the Arab countries or its condemnation of Israel? Its foreign policy has serious implications for Belgium. France's economic and social policies and General de Gaulle's ideas on the gold standard have aggravated the international monetary crisis and brought Belgium to the brink of devaluation. The French President's refusal to devalue and his requests for a revaluation of the Deutsche Mark have done nothing to stabilize the world currency situation.'

Mr. Thiry (French-speaking Walloon Front) expressed serious reservations regarding the Government's foreign policy in the matter of the Rome Treaty and the other Treaties, asserting that Mr. Harmel had sought an alternative policy when confronted with obstacles to the enlargement of the Europe of the Six. He could not accept that political co-operation in Benelux should underlie the drive for European integration. Co-operation between the Benelux countries should be confined to the economic sphere.

Mr. Leemans, member of the Christian Democrat Group, spoke about Nato and European policy. In his view European policy in 1968 had been far from encouraging. The common agricultural policy had been thrown into a precarious position by the lack of co-ordination within each member State and among the Six. The monetary crisis and the ministerial meetings that followed it suggested that the States were not yet capable of pursuing a policy that could prevent the return of monetary difficulties. Euratom only benefited from an arrangement covering current commitments expiring in June 1969. The Commission's policy on concentrations and mergers did not appear to correspond in all respects to the possibilities opened up by the Rome Treaty.

Mr. Dehousse (Socialist) devoted part of his speech to the draft treaty on the non-proliferation of nuclear weapons. He made a more varied approach to the subject and dwelt on a number of ticklish questions arising from the draft. First, the treaty would not be signed by a number of States possessing nuclear weapons. Secondly, Mr. Dehousse was against invoking a transitional provision of the San Francisco Charter giving certain signatory States the right to act against a defeated State so as to enable pressure to be applied to Federal Germany twenty years after the end of the war. Thirdly, nuclear arms control ought to be combined with the control Euratom exercised over the peaceful uses of nuclear energy. Under the draft treaty, an agree-

ment must be concluded between Euratom and the International Atomic Energy Agency within 180 days of the entry into force of the treaty. Mr. Dehousse thought that the Six had been wise not to carry out ratification until after conclusion of the agreement between the two organizations. Meanwhile it remained to be seen where the two super-powers stood after the events in Czechoslovakia.

Mr. Dehousse welcomed Mr. Harmel's statements on European policy since a clear-cut attitude was expected of him.

The unification of Europe was of great importance for equilibrium in Belgium. It was against a background of unification that the notion of regionalism acquired a meaning. Once cultural problems in Belgium had been settled and economic problems entrusted to large organizations, there would remain the problem of political unification which would enable the various components of Belgium to breathe more freely. Political unification, far more than the technical problems of economic union, could put new life and spirit into the younger generation, at present unoccupied and politically uncommitted.

In the problems posed by changes in Nato, too, Mr. Dehousse saw a possible development of European policy. Of course he accepted Nato as the answer to a permanent threat. But such a remedy could not arouse the same enthusiasm as the creation of a suitable counterweight to American dominance. And this could only take the form of a political Europe to the exclusion of any bilateral negotiations which could not yield concrete results.

Finally Mr. Dehousse listed the tasks the Community would still have to tackle before the end of 1969 if it was to discharge the obligations flowing from the EEC Treaty.

Mr. Ballet (Volksunie - People's Union) saw developments in Nato as an approach to a political Europe. In his view the Nato Treaty remained essential as there was nothing to take its place. If it was to be effective Europe would have to tighten up its collaboration through an advanced form of supranational integration in the economic, political and military sectors, but with due regard for the cultural characteristics of the different peoples. Inevitably Europe would at first be merely a union of States but it would have to transform itself into a Europe of the peoples, a Europe of ethnic groups. The Benelux countries ought to concert their efforts in tackling major international problems. Little countries working on their own were incapable of exerting any influence.



Mr. Maisse (Liberal) discussed the implications of the Soviet fleet's presence in the Mediterranean, now another 'hot spot'. This new threat once again brought up the question of Spain's accession to Nato. It was absurd that that country should not be a member while Greece was. Once the danger became clear, it was essential to show that Europe's interests were one. Belgium ought to make the first move to bring Spain into the Common Market. It would then serve the interests of Europe. Mr. Maisse put his faith in the future of the European Economic Community; industry had reacted favourably to it, and it was popular among the public at large.

Mr. Rombaut (Socialist) confined himself to the problem of the Court of Justice of the European Communities which, under Article 164 of the EEC Treaty, is required to ensure the observance of law in the application of the Treaties. It might be asked whether the provisions of Article 177 of the Treaty were also applicable to the supplementary agreements which, under the terms of Article 220, could be concluded between member States. Such agreements were in preparation; some were already complete. Article 177 empowered the Court of Justice to rule on the interpretation of the Treaty with a view to ensuring uniformity throughout the Communities. But this should also exist in any agreements concluded under Article 220. The EEC Commission had approved the extension of these powers of the Court of Justice to these agreements.

A number of legal experts of the department - or at least one - appeared to wish to confine the application of Article 177 to the EEC Treaty as such. This attitude was hardly European. According to the last paragraph of Article 177, domestic courts before which a question of interpretation of the Treaty had been raised, and from whose decisions there was no possibility of appeal under domestic law, were bound to refer the matter to the Court of Justice. The experts referred to contested the existence of any such obligation and wanted to preserve the optional nature of appeals to the Court of Justice as in the case of matters on which appeals could still be made under domestic law. Such an arrangement would deal a serious blow to the spirit of Article 177 and amount to a retreat from the European idea.

In a working document on the eventual merger of the Treaties sent on 15 November 1968 to the EEC Council of Ministers, Belgium suggested that the procedure be simplified and Community policy overhauled. The Belgian Government was awaiting the Commission's report. Mr. Rombaut thought that the Commission would continue to support compulsory appeals to the Court of Justice after the Treaties had been merged. He hoped that the Minister also would come out in favour of the application of Article 177 to supplementary agreements with compulsory appeal to the Court of Justice.

Mr. Vanhaegendoren (People's Union) discerned three main currents of thought on the construction of Europe. First there was the Europe of Yalta of which NATO was the result. Yalta had been the origin of NATO in a weak and nervous Europe. NATO could not continue to be based on a feeling of inferiority. A powerful NATO could only be conceived as a bilateral military agreement in which a federated Europe would take its place as an equal partner. British participation not only in NATO but also in the EEC would strengthen Europe.

Youth had the European idea but its attitude to NATO was somewhat undecided. NATO would have to be put to work for Europe and not the other way round. Mr. Vanhaegendoren suspected the Belgian establishment of accepting a divided Europe and of seeking the sympathy of the most reactionary forces in America and elsewhere in the world.

An alternative often brought forward to the Europe of Yalta and NATO was the Europe of nation-States. The Government ought to grasp the fact that nation-States no longer satisfied the peoples. A Europe of nation-States could not last because the nationalism of States was not a force that favoured the birth of a federation. On the contrary it harboured the seed of civil war in Europe.

The third formula for constructing Europe was ethnic in character, the linguistic community offering the individual spiritual and cultural security. In its internal and external policies Belgium should frankly support a process of federalization leading to a United Europe diversified on ethnic bases.

Mr. Housiaux (Socialist) noted that the Treaty on the non-proliferation of nuclear weapons had already been signed by some 90 States. Mr. Nenni had announced that Italy also proposed to sign it. The Treaty marked the first essential step, that of ensuring the very survival of mankind.

Mr. Housiaux added that for the EEC member States, who were bound among themselves by the Euratom Treaty, ratification of the Treaty depended on the conclusion of an agreement between Euratom and the International Atomic Energy Agency of Vienna. This continued to be a cause of concern at a time when the very existence of Euratom was at stake. Mr. Housiaux asked that steps should be taken to ensure that the leaders of that organization gave urgent priority to the negotiations which had been the subject of the objections Belgium had raised to signing the Treaty.

## b) European monetary problems

During its session of 27 February 1969 the Senate discussed a Government bill relating to Belgium's accession to the amendment of the agreement setting up the IMF and to the Monetary Statute. The articles of the bill were adopted without comment.

During the general debate Mr. Adam (Christian Democrat) referred to the memorandum published by the Commission of the Communities on the economic and monetary policy of the EEC member States. 'The Commission wants to see machinery for monetary co-operation set up within the Community so that any member State in monetary difficulties could be given suitable aid. The advantage of this would be that of preventing financial imbalances from worsening rather than of cancelling out the effects of crises once they have broken out. The memorandum shows how this monetary machinery ought to function. It consists basically of a network of agreements similar to the 'swap' agreements being discussed in the IMF which, of course, caters for many more nations. Each participant would undertake to make available to the others funds up to a specified limit. A 'swap' agreement does this, but in addition covers exchange risks, an aspect of the problem with which the Commission is not concerned. If necessary, EEC member States would have automatic drawing rights up to a maximum sum. At the same time a ceiling would be set on each participant's commitment. There appears to me to be a weakness in this system: it does not fit easily into the IMF framework. The Commission's memorandum states that a participant country cannot be made to contribute to a financing operation under this system when it is itself indebted to the system. What would happen then if, while not indebted at Community level, this country owed money to IMF countries not members of the Community? It is hard to see how it could be expected to make contributions at European level. Does this not point to a structural weakness in the machinery described in the memorandum? Before making known their views on the matter, the Ministers of the Six would do well to compare the Commission's guidelines with the recommendations made on 10 February by the Governors of the Central Banks. These are more down-to-earth because they confine themselves to suggesting that the moment a country finds itself in financial straits a meeting of the Ten should be convened to deal with the situation as it presents itself, it being difficult to foresee all the circumstances attending it.'

Baron Snoy et d'Oppuers, the Finance Minister, said it was too soon for him to express an opinion on negotiations just about to start and certain to be difficult and complicated. 'However, monetary solidarity between the Six can be combined with the operation of the IMF. The reform of the Monetary Fund includes a provision that basic decisions are to be taken by an 85 per cent majority of the votes, so that more than 15 per cent of the votes would carry a right of veto. If the Six voted together, they could therefore exercise this right. A few points in the Commission's proposals are

still obscure. The Monetary Committee of the European Community is indeed at present engaged in examining the project with the Commission. In the months ahead we shall certainly have an opportunity to get things properly sorted out. The Government will continue to seek constructive solutions and compromises of a practical kind.'

(Belgian Senate, Doc. 118, 1968-69;  
Summary Reports, 15, 16, 21 January 1969;  
Summary Reports, session of 27 February 1969)

## 2. Chamber of Representatives

### ----- Debate on the Foreign Affairs Budget for 1969 -----

During the sessions of 27 February and 4, 5 and 6 March 1969 the Chamber discussed the bill relating to the 1969 foreign affairs and foreign trade budget. At the same time it heard two questions with debate on:

- i) Belgian-Greek relations following the anti-democratic referendum held in Greece on 29 September 1968 and
- ii) the need for the European countries to sign and ratify the Treaty on the non-proliferation of nuclear weapons and ways and means of bringing that Treaty into force.

#### (a) European policy

Mr. Larock (Socialist) urged the need for reforming NATO. In his view changes were desirable on three points: (i) NATO should be carried beyond the stage of an essentially military organization. It should become a Western union of democrats intent on safeguarding peace and free from the dominating influence of the major powers; (ii) NATO could not be a European extension of American power. The European members of the union should together be equal partners to the United States and not, separately, mere satellites; (iii) NATO, as such, should enter into negotiations with the Warsaw Pact organization.

Certain NATO structures should also be modified. Mr. Larock felt that military influence was too strong. A reformed NATO could not put up with a situation where executives regarded themselves as guides. Political

responsibility should be clearly defined. 'Ensuring the widest measure of collective security will not be the task of NATO in its present form. The initiative for negotiations with Moscow and the Eastern bloc countries must lie with a wholly civil intergovernmental council on which the United States and Europe will be on an equal footing. This council ought to benefit from the advice of a truly representative assembly, that is, one appointed by the Parliaments. The existing assembly is not worthy of the name. It is above all a clan of "yes-men", many of them self-appointed.'

Mr. De Croo (Liberal) spoke only of European problems. He deplored the fact that in the construction of Europe the parliamentary institutions were lagging behind. 'The European Parliament of Strasbourg has never become what was expected of it. It is at parliamentary level that the least progress has been made. It was wrong to try to shut out Communist opinion in France and Italy. If it is to enjoy popular support, the European Parliament must reflect the different trends of public opinion. Is the choice of delegates to this Parliament calculated to make for efficiency? Most of those who meet in Strasbourg belong to the most moderate circles. More often than not they have lost direct contact with public opinion in their own countries. The way European representatives are chosen is doubtless not a very good one. It is alleged that in Brussels there are 380 active lobbies putting pressure on the European institutions. When it is considered how those who manage our political affairs, that is, the parties, operate in relation to the European institutions, we cannot help but wonder whether we are not entirely under their thumb. Those who hold the reins of political power in our countries - and the same applies to other countries in Western Europe - are quite indifferent to real European problems. The interest that seems to be felt on the electoral platforms of the national parties in European problems is purely platonic. In this respect public opinion finds no echo.'

As regards the enlargement of the Community of the Six, Mr. De Croo did not feel that the Communities should open their doors a priori. 'There is no a priori reason for suddenly admitting into the EEC, at the risk of damaging it, countries which previously declined to join it. All a priori approaches are a mistake. The difficulty, moreover, does not lie there. What really matters is to get down to developing European political power.'

Mr. Dewulf (Christian Democrat) dwelt on the problems of co-operation with the developing countries. He asked the Minister for the Government's view on the renewal of the EEC-AAMS Convention of Association. 'In my opinion, the new Convention should be not only more European and more African but also more outward-looking: more European in terms of a bigger financial contribution from the EEC; more African in that the Convention should concern itself more with Africa as a whole and make provisions for wider participation by the Africans themselves.'

As regards Belgian policy in this field, Mr. Dewulf felt it confined itself to brilliant improvisation to which only a few officials managed to impart a measure of continuity.

On the question of building the new Europe, Mr. Radoux (Socialist) raised two problems: the British application for entry and the creation of a political Europe. 'The question is not whether or not Great Britain should form part of the Common Market, although it is raised in many quarters. What I say is that such squabbles do not dispense us from building Europe, that Europe must be built jointly with the British, and that it is thus that Europe is conceived by those who want to build it. The Six no longer present the same visage together as when they come forward separately but Great Britain has moved nearer to us. The Community has grown and is approaching the stage where it could negotiate more easily than in 1961, when Britain put in its first application. Without Britain Europe can never become the equal, economically or politically, of the two super-powers. It is a fallacy to believe that a free trade area will put everything right.'

On the other hand, the campaign for a political Europe had been going on for over twenty years. No agreement had been reached either on the type of political organization desired or on the objectives of a common policy. 'Some people in this assembly have suggested that WEU should form the basis of this political organization. It is to the credit of the present Foreign Minister that he wanted to translate into action what have so far been merely wishes. We know where we stand now, or at least our fears have been confirmed: there is nothing we can do in this direction. It is better to take what happened in WEU into account and to regard these events in terms of what is economically and politically at stake in Europe. The Communities grew up with the acceptance of the principle of the majority vote. They clearly do not fit in with the right of veto, which rules out the possibility of a political Europe. An initial step towards political union could be made if the majority rule were accepted. Given good will, it would be an advantage to resume the political dialogue. We should not, however, harbour any illusions; that stage is still a long way off.'

Mr. Outers (French-speaking Walloon Front) had considerable reservations to make on political developments in Benelux within the European Community. He complained that, deep down, the Government's foreign policy was anti-French. He added: 'You have regaled us recently with a series of jolly guerilla attacks against France under cover of the faded banner of European unity. If I am myself a keen champion of European unity, it is because I wish Europe to be independent and not a vassal of an Atlantic bloc. Article 237 of the Rome Treaty provides a legal basis for the accession of new members. But other means of attaining that end have been preferred... Our diplomacy gave its full backing to the London meeting in spite of the absence of France. Came the Soames affair, after which you would have criticized the French position with which you were not yet familiar. The German

and Luxembourg Ministers were more prudent. This diplomacy will perhaps have happy results: by its clumsiness and exaggerations it will open some people's eyes. Because of the perils to which it has exposed the Common Market, it will have brought home to us the danger of a policy hankering for pre-war conditions. The Franco-German Treaty will perhaps save our country by making it serve as a link between the German and French worlds. That is the real mission of our provinces.'

Referring to the United Kingdom's application for entry, Mr. Glinne (Socialist) hoped that Britain would come into the Common Market but added that at present it could not do so unless it were permitted to depart from the rules of the agricultural common market. 'We must above all adopt common European approaches to problems concerning the running of the Common Market before rushing ahead with its geographical expansion.'

Mr. Harmel, the Foreign Minister, explained the Government's position on the major options of international policy. Reviewing events during recent months, he said: 'It was under these circumstances that, from the moment the present Government was formed, the Foreign Ministers of the European countries decided that it was essential to forge ahead with the building of Europe. We had to make progress in all the fields specified by the Rome Treaty and then carry out soundings in others not covered by the Treaty. Finally we agreed to discuss enlarging Europe by way of Western European Union. But I should like to stress here and now that the cornerstone of Europe is the Rome Treaty. It is around the Communities that the main effort is deployed. There is no question of choosing between internal development and enlargement. Both are necessary but neither should have priority over the other. The work of building Europe must be carried out wherever it is possible to make it. Internal development and enlargement are complementary.'

The Minister was surprised at the fears entertained among the general public and in some political circles as to the Community's internal development. He went on to recall the projects the Community proposed to carry out, in accordance with a timetable, in order to pass from the transitional stage to economic union. He stressed the importance of Benelux in relation to the European Community. From the start Benelux's co-ordination policy had consisted in having talks on a wide variety of subjects with a view to achieving not only political unanimity but also the general objectives - the building of Europe and the solution of problems of common interest. Consultation within Benelux was not an end in itself - that of arriving at a common approach by the three States - but was designed to bring the attitude of the three countries more closely into line. The ultimate aim was to be sought at European level. Moreover the Government had no preference for one or other member State of the European Community. It was neither 'anti-north' nor 'anti-south'.

The Minister then reviewed the position taken up by the Government on the enlargement of the Community. Article 237 of the EEC Treaty comprised a philosophy, and this clearly envisaged the enlargement of the Community. An obligation existed to follow up any demand for membership or other form of collaboration.

On the future of political Europe the Minister said: 'Everything must be done to ensure constantly improved political relations among the European countries, whether of the Six or not. This is the action we felt was required of us under the Brussels and Paris Treaties. There is no question here of any policy directed against any person or State, and allow me to add that what has happened in WEU has been in the right rather than in the wrong direction. We have asked for a debate between the signatories to these two Treaties on all questions clearly beyond the scope of the Treaty of Rome. We have met with full approval among the Six. We have felt that there were already enough European organizations and that full use ought to be made of them. The debate was constructive in every way. Benelux proposed to organize, in future, consultation beforehand rather than after the event. This suggestion aroused interest, even though France had certain reservations to make. We then put forward a more modest proposal which included provision for free consultation. No decision was taken but neither was any opposition put forward to the idea. And then at this Luxembourg meeting French proposals of an entirely constructive nature were put forward. The French representative suggested that whenever a crisis arose consultation should be held at European and, where necessary, at ministerial level. Finally there were the now familiar differences as to procedure. The debate swung round to a hair-splitting discussion of purely legal aspects, and turned sour. Belgium wants to see this quarrel settled and not aggravated. One cannot see the wood for this particular tree. A small step in the building of Europe could be made.'

Mr. Coppeters (People's Union) described European unification as a prerequisite for Flemish emancipation. He was a believer in ethnic groups and in linguistic regions. In his view co-operation within Benelux left much to be desired. 'It is a striking fact that the Benelux countries remain divided over certain positions to be defended in scientific and supranational organizations. We regret this state of affairs just as much as the Minister. Only last year it was agreed that all checks, formalities and obstacles at the internal frontiers were to be abolished and that the Governments should take all the necessary steps after informing the national Parliaments. The least one can say is that this undertaking has not yet been honoured. Some concern about European policy has been caused by the French plan, supposed to have been communicated to Ambassador Soames, excluding the Benelux countries. This apparently envisaged a large-scale economic association directed by Great Britain, France, Italy and Germany. The statement which President de Gaulle is understood to have made regarding the little Benelux countries is, to say the least, alarming. Benelux must close its ranks and oppose the intentions



of General de Gaulle who wants to turn all our countries into conquered regions dependent on France.'

Mr. Chabert (Christian Democrat) said it was entirely in Belgium's interest to strengthen Benelux, if only to have greater influence on the partners of the European Community. This should also help in building Europe. As regards European collaboration, Mr. Chabert enquired whether concrete information existed regarding technological co-operation and the possibility of France acceding to an integrated Europe. If it proved impossible to interest France in European integration, could not the other five countries take the initiative? Or was the intention to go on waiting indefinitely until it stopped raining in Paris?

Mr. Wigny (Christian Democrat Group) thought the difficulties raised by the enlargement of the European Community were being treated too lightly. 'The Community must be enlarged but the change will be difficult. Obviously we shall pass from six to seven. There are thirteen European countries belonging to NATO. These must join in the dialogue and this presents a problem. To reach agreement on certain points this Europe will have to adopt the majority procedure desired and provided for by the Treaty. Is this possible, and is it wanted by all the countries? If the number of new members equals or exceeds that of the old members, will it be possible to create a will to co-operate? This Europe of the Six must be suitably strengthened, as it is the cornerstone of the European edifice.'

Mr. Wigny underlined the need for greater collaboration and solidarity among the Six before enlarging the Community. At the same time this enlargement must be carried out by the Six as a whole. Other courses were legally possible, such as co-operation agreements between two or three countries, on the lines followed in the OECD. But these were not suited to the Community as they were liable to compromise initial collaboration. One appeared to be creating a spirit of solidarity greater than that existing among the Six.

From the political point of view, Mr. Wigny felt that steps should be taken to provide Europe and the Community with the foreign policy they lacked. Different positions were taken up from sphere to sphere. The problems of Biafra and the Middle East were typical examples. The stock of common ideas was too meagre for them to be handed over to a committee for working them up. All that could be done was to hold regular and frank exchanges of ideas with a view to drawing up a common policy. This should be European in outlook, so as to take account of common interests, and should be pursued within the Atlantic framework. 'The Americans are urging us to define this policy. It should finally make for détente and rapprochement between the nations.'

Mr. Perin (French-speaking Walloon Front) spoke of President Nixon's press conference on his return from his European visit. 'President Nixon stated that the United States could no longer apply pressure on the European countries in their efforts to unite. He has recognized the need for Europe to be fully independent and for giving up the illusion that the United States is going to act as the federator of Europe. To build Europe, you must be European, and to be European you must be independent..... For twenty years European unity has been regarded as closely bound up with American hegemony. President Nixon's recent speech should give food for thought to all who have, for two decades, maintained a servile attitude towards the United States. It appears to have been a mistake to reject the Fouchet Plan for a European confederation. The opposition to it came from the Netherlands and Belgium.' Mr. Perin was, on the whole, more in favour of federation, but this was not at the moment practicable. A federation was a confederation that had succeeded. Confederation was the necessary prelude to federation. 'Wanting too much at once, we have got nowhere and today Europe is in difficulty.'

Mr. Perin added that there were technical and political international organizations of which Great Britain was a full-fledged member. The experience of British co-operation was, however, by no means conclusive. The economic, financial, military and political circumstances were familiar enough for everyone to gauge the dangers attendant on Britain's immediate accession.

Replying to Messrs. Wigny and Perin, the Foreign Minister said that there was no question of choosing between the enlargement and the internal development of the Community. These notions did not exclude each other. He went on to recapitulate the Government's aims in this sphere:

- '1. The Government is deeply attached to the Community of the Six but declines to subordinate its enlargement to its internal development;
2. It wants to increase collaboration among the Six but feels that we must guard against any action that may harm one of the Treaty signatories;
3. It wants a European foreign policy to be worked out - a policy of frank confrontations.'

(b) The situation created in Greece by the coup d'état of 21 April 1967

Mr. Glinne (Socialist) put a question to the Government concerning Belgian-Greek relations after the anti-democratic referendum of 29 September 1968. He was astonished that every member State continued to entertain the friendliest relations with Greece, although the EEC Commission's attitude to that country was guarded.

He could not understand how one could speak of an Atlantic community policy while asserting that to express concern about the situation in Greece amounted to interfering in its affairs. It should be possible to find an effective means of voicing disapproval of the events in Athens. Greek membership of the Atlantic Alliance appeared inadmissible to Mr. Glinne, who urged the Minister to take steps to see that the NATO Council tackled this problem.

The Foreign Minister replied that Greece had a strategic rôle to play in NATO and its withdrawal would be liable to weaken the Alliance. Moreover there would be no point in convening the NATO Council to organize free elections in Greece because the Council could take only unanimous decisions. It appeared to be difficult, therefore, to modify the NATO Treaty by inserting into it a new article under which member States could challenge the democratic character of a partner and perhaps oblige it to leave the organization. In addition, no NATO member State had so far contemplated any amendment to the Treaty.

(c) The treaty on non-proliferation of nuclear weapons

Mr. Radoux (Socialist) put a question to the Government concerning the need for signing and ratifying the treaty on the non-proliferation of nuclear weapons and the means to be employed to bring the treaty into force. So far only nine countries had ratified it and at least 43 must do so before the treaty could come into force. Mr. Radoux hoped that Belgium would do its utmost to win over the Common Market countries, so that the problem of checks and controls could be settled as soon as possible. The Foreign Minister replied that the Government wanted to ratify the treaty but was hampered by the clauses of the Euratom Treaty. He thought he could say that it should be possible to reach a consensus among the six Euratom countries so that the Commission could be authorized to arrange for negotiations with the International Atomic Agency. In the course of recent visits to those States, the Belgian Government

had expressed its eagerness to embark on the discussions for the preparation of an agreement between the Vienna Agency and Euratom.

(Belgian Senate, Doc. 118, 1968-69;  
Summary Reports, 15, 16, 21 January 1969;  
Summary Reports, Chamber of Representatives, 27 February, 4, 5 and  
6 March 1969)

## France

### 1. Relations between Yugoslavia and the Community at the Franco-Yugoslav talks in Paris

At the close of the official one-week visit by Mr. Spiljak, President of the Council of the Federal Republic of Yugoslavia, who was accompanied by several members of the Yugoslav Government, a joint communiqué was issued in which the problems of Europe were discussed at some length.

'The discussion on European affairs showed that both sides grasped the need for all States on the continent to work together to bring about an easing of tension. Both sides stressed that it was only by respecting the principles earlier enounced - sovereignty, independence and equality of the States and non-interference in their domestic affairs - that the European countries, freed from the system of blocs, could make real progress on the road to détente.

It was also pointed out that a climate of trust in Europe could pave the way to solutions of the serious problems that still divided the continent, particularly the German problem, and thus guarantee the security of Europe.'

After emphasizing the need for expanding trade between France and Yugoslavia, the communiqué dealt with the agreements under discussion between the EEC and Yugoslavia: 'The two sides studied the problems connected with the talks at present going on between the European Economic Community and Yugoslavia with a view to concluding a trade agreement. The Yugoslav Government explained why it was interested in such an agreement. The French Government expressed its understanding of the Yugoslav attitude and the desire that a way would be found to increase trade in the interest of both countries. The two governments will keep in touch on this subject.'

(Le Monde, 16 and 18 January 1969)

2. General de Gaulle emphasizes the 'underlying harmony' between Rome and Paris

On the occasion of his departure, Mr. Giovanni Fornari, Italian Ambassador to the French Republic, was entertained to luncheon at the Elysée Palace on 17 January 1969. In his address, General de Gaulle referred to Franco-Italian relations: 'There are no two countries which are more profoundly or more completely European or which have been European for as long as ourselves. The underlying harmony between Italy and France is the first requirement for the union of Europe which, whatever theories or designs are put forward, is in reality, little by little, becoming the nature of our continent.'

Is it not true to say that the function of the Italian Ambassador in Paris is to maintain the friendly relations existing between our two countries, smooth away disagreements and work for unison? This naturally calls for a great deal of understanding, open-mindedness, experience and skill. It calls for both the human and the professional qualities of a great diplomat.'

In reply, Mr. Fornari said: 'I have come to the conclusion that, going beyond any logical explanation, the relations between our two countries are in many respects those of two nations which share a common origin and, over and above any single event, continue to complement each other at the highest spiritual level; this is the background to and the force that shapes any political decision. . . . this complementary relationship which unites Italy to France is to be found in a wider context: that of Europe.'

Three weeks later, Mr. Francesco Malfatti di Montetretto, the new Italian Ambassador, presented his credentials at the Elysée Palace. President Sarragat, he said, wished him to convey to General de Gaulle the tokens of his friendship and esteem and 'his sincerest good wishes for the future of the great French nation'. Mr. Malfatti added that the friendship between France and Italy was not an empty word but had its roots in the very nature of the two peoples.

He stressed that it would be absurd to suggest that Italy and France did not sometimes differ on some essential aspects of international policy; but, he said, these disagreements in no way affected the contribution each of these two great nations, which were both friends and allies, would make towards their solution.

Speaking of bilateral relations and Europe, Mr. Malfatti stressed his firm intention to work towards closer links between France and Italy so that they may go forward together towards European unity.

In reply, General de Gaulle emphasized that Italy and France were confronted with very hard realities which were not always favourable; he trusted that each would remain true to itself in Europe and in the world and added that he could see a great many reasons why the two countries should tighten their political and practical links.

(Le Monde, 19, 20 January 1969; L'Aurore, 5 February 1969)

### 3. Spain and Europe - Mr. Debré's visit to Madrid

Mr. F. M. Castiella, the Spanish Foreign Minister, spoke of his country's determination to fulfill the European rôle which naturally devolved on it, and alluded to the situation in the Mediterranean, 'at present the scene of a confrontation more political than military in character.' He finished by recalling General de Gaulle's assertion that France needed 'a stable and prosperous neighbour in the south' and Europe a Spain which would give it 'depth'.

Replying to a toast proposed by Mr. Castiella, Mr. Michel Debré, the French Foreign Minister, said that, however far one went back in the history of France and Spain, the two countries had known and esteemed each other.

'The future of Europe and of the Mediterranean will be what old nations like Spain and France make it. Europe must rise above its contradictions. Balanced relations in the world demand that Europe assume its proper place. It should naturally be based on national sentiment, which alone ensures the shouldering of responsibilities. The same applies to the Mediterranean. When Europe carried the entire responsibility for this part of the world, the Mediterranean enjoyed prosperous trade, tolerance and peace. But in the present situation, and particularly in the eastern Mediterranean, we have intolerance and disputes. If security in this area is to be maintained, the Mediterranean nations must pool their efforts.

If we consider the feelings and the destiny which lead us to tighten the bonds between our two economies, then the problems facing us - peace and security in Europe and in the Mediterranean - compel us to pool our efforts

and to get to know each other better. This is the value of the links between our peoples, our economies and the foreign policies of our governments. We are convinced that neither Spain nor France has a future unless the two countries hammer out a common political approach. This is the real significance of our meetings and it is in this spirit that our Heads of State, each in the sphere that concerns him, welcome the stability of their countries because of the opportunities this opens up.'

(Le Monde, 8 February 1969)

#### 4. Franco-Austrian relations and the Common Market

Mr. Kurt Waldheim, Austrian Foreign Minister, paid an official visit to France on 21, 22 and 23 February; he was received by President de Gaulle.

At a dinner in Mr. Waldheim's honour, Mr. Debré held up Austrian foreign policy as an example: 'For the men and women of our time, for those of the next generation and also for the generations of the future, the security and progress of Austria, situated as it is on the borders of Eastern Europe, are the symbols of the policy which all the nations of Europe must follow; however uncertain it may be, this policy is necessary.' In reply, Mr. Waldheim stressed that his talk with the French Minister 'showed that there was a wide measure of agreement with regard to settling our relations with the Common Market, bearing in mind both the essential needs of our economy and the obligations which stem from our Treaty of State and standing neutrality which we intend - do I need to repeat this? - faithfully to maintain.'

On his return to Vienna, Mr. Waldheim was interviewed by a correspondent from Le Monde. He replied at length to questions about the future of relations between Austria and the Common Market following his visit to Paris. 'Do you think that Austria's stabilizing function in the Danube basin is being jeopardized by the lack of any arrangement between Austria and the Common Market?' Mr. Waldheim replied, '.... yes and this is why we have been asking for years that this problem should be solved. We regard Mr. Debré's proposals as a reasonable basis. Of course we know what the difficulties are. The British have said and repeated (within the European Free Trade Association) that they cannot accept the French proposal if it does not lead to the accession of the United Kingdom and of the other applicant States. This argument does not hold for us. We are not asking for accession but for a special arrangement.



The French Government told us that it would try to obtain a common proposal from the EEC on this subject.'

In reply to the question 'Are you not afraid that the proposals for commercial arrangements put forward by Mr. Debré may be too complex and too far from what some of our partners would like, to have any chance of being adopted?' Mr. Waldheim replied: '.... both within the Common Market and EFTA, of course, there are still differences of view concerning the French proposals. There is also the tendency to give priority to applications for accession. We cannot wait until the latter are admitted. This raises the problem as to whether our approach is consistent with Article 24 of GATT, which holds that trade arrangements are only acceptable if they lead to a customs union or to a free trade area; but our situation must be understood: since 1960 our exports to the Common Market, which represent half of foreign trade, have been declining.'

Lastly he was asked 'Are the difficulties which the Alto Adige problem has raised between Vienna and Rome still hampering your efforts to secure a settlement with the Common Market?' Mr. Waldheim replied: 'No. We hope to solve the problem of the South Tyrol in the not-too-distant future. We do not expect any insurmountable difficulties on the Italian side.'

(Le Monde, 23, 24 February 1969; Le Figaro, 22, 23 February 1969)

5. Mr. Debré explains France's European policy on the 'Meet the Press' television programme

On 4 March, on his first 'Meet the Press' television appearance since becoming Foreign Minister, Mr. Debré was questioned by Mr. Jean Daniel ('Nouvel Observateur'), Maurice Delarue ('France Soir') and André Fontaine ('Le Monde'); he was confronted with a barrage of questions covering the whole range of French foreign policy.

He was first questioned on the Sino-Soviet affair and on the problems in the Middle East; he was then asked a third series of questions which concerned Europe. Mr. André Fontaine asked whether France should not do everything it could for the United Kingdom so that it might help to counterbalance the power of Germany. Mr. Debré answered that General de Gaulle had suggested talks to the United Kingdom. 'It was not because of us that these conversations did not take place.'

Mr. Debré went on to say that one had to understand the reality which was articulated in the term 'Europe'.

'What we are striving for is closer bonds between the nations of Europe so that they may achieve greater independence in relation to the other major powers in the world. When we intend to hold discussions, either with Germany or with the United Kingdom, what we want is that these realities should be borne in mind and that they should not be mere words.'

'Is this policy effective?' asked Mr. Delarue. 'The entire situation in Europe has changed,' Mr. Debré answered, 'despite the dramatic incident in Czechoslovakia, relations between Eastern and Western Europe are improving.'

(Le Monde, 5 March 1969)

#### 6. The talks between General de Gaulle and Chancellor Kiesinger

At one of the periodic meetings held under the Franco-German Treaty, the French delegation led by General de Gaulle and the German one led by Chancellor Kiesinger, held wide-ranging discussions on current foreign policy problems in the light of recent events: the WEU meeting without France, the Sino-Soviet conflict and the problems of the Middle East.

With regard to European issues, General de Gaulle made a broad review of international politics. He began by highlighting three points - the solidity of the European Economic Community 'which could be doing better', the increasingly pronounced trend of a Russia concerned by a growing threat from China to seek contacts with the West and the desire of the Americans to work out arrangements with the Soviet Union to progress towards a détente.

For all these reasons the European idea had, he said, become more of an imperative than ever; but if it was to have a meaning, what was needed was for Europe to organize itself in every sphere: economics, politics and defence. This Europe would be built with the States which had recovered their resources and which had well-defined personalities. This swept away any idea of supranationality. The Europe to be desired was one of united European States acting together in the spheres referred to. Such a Europe would neither repudiate its alliance nor its close economic links with the USA. There would be no reason to exclude other European countries. All those wishing to join it should be admitted: the United Kingdom, Norway, Ireland, Switzerland and

Portugal. Admitting these countries into the Community would be tantamount to abolishing it; but to prevent oneself from ever doing anything would be absurd.

This appears to be approximately what General de Gaulle said to Mr. Soames. He also said that he thought that this was what Britain wanted. France, he said was willing. But France's ideas had been presented by the United Kingdom in a way which was just the opposite from what he said.

General de Gaulle made a very clear distinction between the two phases in European unification; (i) In the immediate future, the EEC 'which we wish to continue with and expand' but which could not be enlarged without losing its intrinsic worth and hence the reason for its existence, (ii) In the future, the emergence of a Europe that would be European economically and politically and in its defence. He was ready to talk about this and to make contacts, particularly with the Germans, he said, in view of the importance of the Federal Republic and because of the French policy of organizing Franco-German co-operation. France was ready to enter into this in a special way. It was the reason for the Franco-German Treaty and it would last provided that both sides kept faith with it.

(Le Monde, 16, 17 March 1969)

## Great Britain

### Mr. Brown's scheme for Europe

Mr. George Brown, in a lecture at Westminster, March 6, called for a conference of European States to start negotiations to set up a new European Political Community, 'a new Community open to all present members of the "little Europe", and the candidates and others - but which would be constructed so that it didn't clash with the EEC in so far as it works, accepts the North Atlantic Alliance, and works within it, and has no arrangement for a vetoing mechanism.

In addition to foreign policy and defence, such a political community could also deal with some subjects that are not altogether excluded from the scope of the Treaties of Rome, but which the existing Community has been unable to deal with effectively - because of the use of the veto, and the resulting political weakness of the Community institutions.

One such subject is international monetary policy. Last November, we saw the world monetary system go to the edge of the precipice; and we saw Europe incapable of any joint action to pull it back. We and the members of the EEC would be among those who suffer most if the system collapses, because we are so dependent on world trade. We need a common European policy, - and perhaps a European reserve unit - so that we can ensure, with our united strength, at least a minimum of stability in the system.

This could be a field for action by a new European Political Community, while the enlargement and progress of the EEC remain barred. During this period, the Political Community and Economic Community should, of course, co-operate in such matters as closely as the institutional difficulties of the EEC will allow.

Another subject for consideration is advanced technology. A Political Community dealing with foreign policy and defence would have to concern itself with arms production. A European Arms Production Board would enable the Community to reap the economies of scale, and avoid undue dependence on America. Such a board would exert a powerful influence on aircraft, electronics, and other advanced technology industries.

.....

I am, therefore, proposing that inter-governmental talks should immediately be got under way to consider how to establish a European Political Community, of which Britain and others at present outside the EEC would be members alongside the existing Economic Community. It would not, repeat not, be intended to replace the EEC.

.....

The Political Community must have an unchallengeably democratic base. It needs a parliament which has effective power over the instruments by which policy is made and executed. It needs a council of ministers which, in the first stages of the Community, must obtain its democratic mandate through the national governments, but which must not be hamstrung by a national power of veto.

It needs its executive arm - a commission with statute and authority - which will be controlled by the council and parliament. The institutions will reach their full development only over a transitional period; but from the start they must be strong enough to give the Community the power to decide, and to act.

Such a Community would make a great impact on the problems of détente towards Eastern Europe, the Middle East, and elsewhere, in the face of which Europe is now so helpless. Such a Community, having a European political, and its own common defence policy with the Atlantic Alliance, would give Europe the means to respond quickly and realistically to any political or strategic threats from the Soviet Union. It would enable us to play a much more positive rôle in the defence of our own continent by having much more impact in the thinking of the Western Alliance.

.....

We must propose a meeting of all the countries concerned - another Messina Conference - in order to start negotiations to establish the European Political Community. This is how the present log-jam can be broken. We and all those who want to build a Europe that is prosperous, democratic, and strong must join our efforts to bring it about.'

(The Guardian, 7 March 1969)

## Italy

### 1. Statements on Italy's European policy by the President of the Council and other ministers

Speaking in the Chamber of Deputies, Mr. Rumor, President of the Council, said that his Government would promote the completion of the structures envisioned by the Treaty of Rome in all the Community institutions. Despite the difficulties caused by the French attitude, it was desirable to encourage every possible, realistic initiative to revive 'Europeism', holding fast to the supranational character of the Communities and the desirability of enlarging them to include the United Kingdom. Italy's relations with Britain were those of cordial and keen co-operation, and the Government intended to develop them in the direction of Britain's economic and political integration with continental Europe - for Britain had undergone a fundamental development. Italy intended therefore resolutely to pursue its work to secure Britain's accession; it would, to this end, endeavour to find new and more effective forms of co-operation in every field, including the Western European Union.

Italy also wanted the Community to step up its trade and cultural links with the East European countries. However hard and exacting it might be, Europe had to pursue its course in a responsible way so as to provide an outlet for the aspirations of the younger generation.

Such a great and compelling design surely needed wide agreement and strong popular backing. This was another reason why Italy was in favour of a directly elected European Parliament.

Still with reference to European policy, attention should be drawn to the statements made concerning Euratom's problems by Mr. Tanassi, Minister for Industry and Mr. Malfatti, Under Secretary of State for Foreign Affairs, to the Committee for Foreign Affairs and for Industry of the Chamber of Deputies.

Mr. Tanassi recalled the stages by which Euratom had been losing its momentum; this had gone hand in hand with the decrease in appropriations as between the first and second five-year plans. The problem now was to lay the foundations for the third five-year plan. The attitude of the French delegation, which upheld the principle of supplementary programmes, (jointly financed by groups of the countries concerned and a special, joint research programme) had precluded any agreement apart from that to adjourn defining future

programmes until 30 June 1969. Italy's attitude was based on two practical requirements: (i) a review of the intervention machinery so as to allow special research programmes to be carried out; (ii) Community action on a large scale.

Unfortunately, although Italy's stance was clear and constructive, and based on the principle that any new move in the nuclear field in Europe should be set in the Euratom context, there were centrifugal forces at work (e.g. France on the one hand, Germany and the Netherlands in agreement with the United Kingdom on the other) which tended to ignore Euratom in new and revolutionary technological programmes.

Finally, in reply to a question from Mr. Barca, Mr. Tanassi said that although Italy maintained the attitude outlined above, it did not overlook the need for contacts with possible partners with a view to later initiatives based on international co-operation.

Mr. Malfatti recalled the critical view taken by the Italian Government in previous years of the unsatisfactory policy pursued by Euratom: the main emphasis had been on financial support for national programmes but there had been no action to secure effective co-ordination or rational use of resources in industry. The Italian Government had therefore noted with interest that these criticisms were now largely shared by the European Commission.

The Government would, as it always has done, direct its efforts at ensuring that Euratom's main activities were carried out in the Joint Centre; it would also promote action on the major projects that had to be tackled (i) setting up an industrial consortium to build a power station based on the fast reactor system and (ii) the problem of uranium enrichment. 'We are', Mr. Malfatti observed, 'in a transitional period because it is hoped that we shall soon be talking about a common energy policy in the Community and about the possibility of implementing scientific and technological co-operation programmes between the Six and those countries which have applied for membership of the Community. All of this could help solve the Euratom crisis and launch the common nuclear programme. It is, however, also in view of this period of tension that the Italian Government has firmly maintained in Community spheres that it would be a serious mistake to liquidate the assets represented by the personnel and the knowledge accumulated by Euratom over these years.'

The third argument discussed by the Italian Parliament concerning European as well as international politics was that of the Non-Proliferation Treaty. Mr. Nenni, the Foreign Minister, recalled that when the treaty was concluded by the three great powers, it was regarded in the USA as the treaty of the century; it was warmly welcomed in Moscow and it was regarded in

London as the spur that would have impelled the great powers towards disarmament. In July 1968 both the Chamber and the Senate expressed their support for the Government's proposal to subscribe to the Treaty. The events in Prague then made a period of reflection desirable. Five months had elapsed since this and the situation in Czechoslovakia was far from normal. It would not be normal again until the situation prevailing before 21 August was restored. Despite the anguish caused by recent events in that country, the Government felt that it should go ahead with signing the Treaty in the hope that this decision would help bring about and consolidate a climate of détente in the world, from which Czechoslovakia itself would also benefit. Signing the Treaty would increase rather than weaken the political and moral strength of Italy in calling upon all to respect the terms of the preamble to the treaty itself and endorsed by the General Assembly of the UNO.

With regard to agriculture, attention should be drawn to the statements made by Mr. Valsecchi, Minister for Agriculture and Forestry; in reply to questions about the crisis in citrus fruits, he said that the difficulties on the orange market were due to the abundant supply of Italian oranges which had totalled 13,500,000 quintals during the current year. The appreciable increase in production over the last six years had not been matched by adequate expansion in sales; domestic and international demand had remained virtually stationary and there had been increased competition from other producing countries and from other winter fruits which lent themselves to preserving more easily. The marketing of oranges (like that of other horticultural products), was subject to precise common rules concerning the possibility of market interventions. Under this system, the product was protected through the withdrawal of any surpluses and a system of preference on the Community market and of export drawbacks to increase sales on third country markets.

Community preference was given through the common external tariffs in the member States; when oranges were exported, they attracted an ad valorem duty of around 20 per cent. There was also a compensatory tax to increase the price - up to the level of the minimum reference price - of any product offered at a lower rate.

It had, however, to be recognized that certain drawbacks had arisen and these had, to some extent, reduced the effectiveness of these measures. When the Community regulations were reviewed, Italy would call for the automatic application of this machinery which was designed to secure greater operating efficiency. Pending this, appropriate steps had been taken with the responsible Community bodies to ensure that the machinery for guaranteeing preference for Community products within the Common Market became fully operative, particularly through a more rigorous control of the conditions for applying the governmental tax.



With regard to interventions on the national market, under the Community regulations, provision had been made for the withdrawal of surpluses by the producers' organizations which would obtain allowances from the Community. Otherwise the complete lack of associations in horticulture would make this form of intervention impossible. On the other hand, the AIMA's support is only allowed if the market price falls below the selling price fixed by the Community bodies by reference to arithmetical averages of the prices recorded on representative markets in the preceding three years.

Since this had not occurred during the current marketing year, the Minister for Agriculture had not been able to declare a state of serious crisis.

The Italian Government had, however, informed the Community bodies - with a view possibly to other measures - of the serious situation in citrus production in Italy where there was no prospect of any short-term improvement because the crisis was not caused by a fall in demand.

The Government had therefore taken special measures and called on the ministerial departments concerned to promote an increase in the consumption of oranges and greater sales on third country markets. The Minister concluded by stressing the need to reorganize the sector by setting up co-operatives to cover the processing and marketing of products and modernize production structures. Any move in this direction would have the support of the Government and could obtain the assistance provided for under the 'green plan' and under the EAGGF.

(Chamber of Deputies - Summary of Proceedings on 16.12.1968, 24.1.1969 and 5.2.1969; Bulletin of the Parliamentary Groups and Committees, Foreign Affairs and Industry of 9.1.1969).

2. Mr. Bosco proposes that a European Community should be set up to deal with the problems of the younger generation

In the editorial of the 'Rivista di studi europei' (Review of European studies) Mr. Bosco proposed that a fully representative body of the community type should be set up to act in the interests of the younger generation in every country in Europe.

Mr. Bosco began by analyzing the positive features of the European Communities (ECSC, EEC and Euratom); they were at present held in check with regard to territorial frontiers and the development of their associations but they had been and still were a decisive factor in the impressive economic and social growth of the member States. One had to be realistic in recognizing that perhaps too much reliance had been placed on the mercantile stimulus, while the spiritual and cultural values had, on the other hand, been consolidated. Mr. Bosco said that this was probably the reason why 'not only the three Communities but also the state structures of the European countries are going through a crisis which is perhaps due to the predominance of consumer interests in our modern society.'

He said that undue regard for material interests would inevitably lead to new forms of nationalism; he stressed the need to recognize the enhanced scale of the modern world, not only when set against achievements in space but also as a result of new trends in thought which were coming to the fore, carrying on the old Christian traditions of the universality of spiritual values and of the brotherhood of man. He referred, naturally, to the new frontiers on which the younger generation in particular had set their sights. He asked whether Italy might not be instrumental in setting up a new Community, side by side with the three existing ones, to look after the problems of the younger generation. This new Community would, of course, be unconditionally open to all other countries and should give an institutional form to co-operation for the younger generation; fields that would be covered by this new Community might, for example, include cultural and artistic exchanges, strengthening university institutions, the recognition of qualifications, the occupational training of workers, help for the developing countries and the organization of sport for the young at both the national and international levels.

'We need a new approach, more open to the universal values of culture and, of course, not related to economic interests or the interests of individual sectors. It is true that some international institutions, such as UNESCO and the Council of Europe, have already concerned themselves with the younger generation but the problem will not be solved solely by internal reforms through acts of law; we must give the young an international forum so that they can have a say in the decisions which affect them most directly.' To this end the fourth European Community dealing with the problems of the younger generation ought to set up an elective body of young people.

(Il Popolo, 2 February 1969)

3. Mr. Pedini draws attention to the importance of trade policy to the Communities

On 3 February, Mr. Pedini, Under-Secretary for Foreign Affairs, inaugurated the courses at the School for Advanced European Economic Studies in Parma; he spoke of trade policy in relation to European unification.

He pointed out that the Treaty of Rome had not designed the Common Market to be self-sufficient but as a coherent area in which the free movement of production factors would increase competitiveness. Events subsequent to the Treaty of Rome had re-emphasized the need to make the Common Market into a vast area which could help the international expansion of trade. Since 1958, the trend towards freeing trade had become more marked as had competition for markets.

It was true that this trend, embodied in GATT and accentuated by the Kennedy Round had also aggravated the disparity between rich and poor areas; yet it was equally true that this dualism now threatening the world's economy could not be dealt with by a return to self-sufficiency on the part of the larger communities; it could only be overcome by the principle of greater economic integration between these international communities.

Mr. Pedini pointed out that the EEC's trade policy was based on the reciprocal approximation of the trade policies of the Six in relation to the world at large. The Treaty laid down specific rules which had so far only been applied in part. It would be desirable for the member States to devise a single policy with regard to liberalization, quotas and trade agreements so that they could present a united front in negotiations at an international level.

In some respects the common trade policy was an integral part of foreign policy. Basically, it could be divided into three important sectors: (i) trade with the industrialized States; (ii) trade with the developing countries and (iii) trade with the state-economy countries.

Whereas the Kennedy Round and GATT had given a clear direction to the first sector, much remained to be done for a common policy with regard to the East European countries and on under-development, even though in the latter respect, the Association between the EEC and the African and Malagasy States was an experiment of undoubted importance.

It was thus necessary to go further without losing sight of the fact that through its trade policy, the Community was coming to assume the characteristics of an international regional market. In this indeed lay the originality of the Community endeavours.

In fact, although the widening gap between industrialized and developing countries was endangering world peace and called for a sweeping change in the way world trade was organized, it was equally true that a new order for the world's economy could only come into being on the basis of large regional organizations, among which the European Community was certainly one of the most important.

In conclusion, Mr. Pedini said that only by co-ordinating the expansion of Europe as a whole and by turning it into a fulcrum for accelerating the pace of world trade would it be possible to restore a balance in a world that was too divided between under-development, on the one hand, and crises due to production surpluses on the other.

(Il Popolo, 4 February 1969)

4. Statement by Mr. Lauricella on the problems of research

In an interview with 'Avanti!', Mr. Lauricella, Italian Minister for Scientific Research, said that the problems of most immediate concern were those of nuclear research, the operation of the CNEN (National Committee for Nuclear Energy - Comitato Nazionale per l'Energia nucleare) and Italy's approach to the Euratom crisis. There were also those which stemmed from the water problem of the entire peninsula, the aim being to avoid the irreparable damage and disasters that Italy has suffered in the last twenty years.

Then there was the problem of the pollution of lakes, seas and rivers. Studies had been made by an ad hoc committee set up under the National Council for Research.

Lastly, there were the complex problems relating to the Venice Lagoon.

He said that Italy did not possess any inventory of research carried out by industry and that effected on the initiative of public enterprises. There was, furthermore, no efficient co-operation between the universities or between public and private enterprises in research. This was an anomalous state of affairs which had to be remedied.

Going on to discuss the technology gap between the USA and Europe, he said that the American advantage lay in the unity in strength which had characterized both the origin and development of the power of the USA. The large size of its markets and the requirement to meet the needs of a large population had led first to the creation of large economic units and then to a constant improvement in production, in close co-operation with the world of research. The economic and technical power of the USSR was based on a similar factor and this was political unity, even if it were based on principles which were opposed to those of the USA.

For research policy to succeed in Europe, he concluded, the conditions had to be created to give the kind of unity through which the USA and the USSR had achieved their present positions in research.

(Avanti!, 6 February 1969)

5. Speech by Mr. Colombo on current prospects for uniting Europe

Mr. Colombo, Minister of the Treasury, gave the inaugural lecture, his subject being the current prospects for uniting Europe, when the Alcide De Gasperi Institute of European Studies, introduced a new, advanced course in European studies.

He recalled President Nixon's recent reference to 'the rivers of words in which we have let ourselves be carried away too easily in the last twenty years'; with regard to European unity, this 'river of words' had led to feelings of alienation, tiredness and to a crisis of faith which was affecting the younger generation. He then discussed some of the major issues facing the European Community.

With regard to integrating agriculture, he said that at the beginning, the market and prices policy had clearly been essential to launch the unification of agriculture in the six countries and to guarantee stable and remunerative

prices for agricultural products; but experience had shown that this policy had to be overhauled to eliminate the persistent and growing production of surpluses, which were too great a burden for national exchequers and, at the same time, to bring in an adequate structures policy which would make Community agriculture internationally competitive.

'A brief look at problems like those of agriculture, monetary affairs and co-ordinating economic policies, which underlie the possibilities of achieving economic union, shows that solving them will not follow automatically from the rules laid down in the Treaty; it will call for binding political decisions about the structure, the make-up and even the way of life of the Community.

Whoever refuses to look into the possibility of enlarging the Community cannot, without putting a serious strain on the laws of logic, simultaneously argue in favour of its consolidation. It would be meaningless; it would be saying that these two principles clash with each other whereas, in fact, they are complementary: to add new countries to the ones already in the Community is no more than one aspect of its consolidation.

The Community crisis stems not only from a disagreement between France and the other five Governments about the United Kingdom but also from the difficulties of contending with what have so far been intransigent and reserved attitudes when it comes to gradually developing the agencies in Brussels as time requires. It is no use arguing that there are a great many practical things on which agreement is possible and progress can be made; it is also a matter of greater goodwill and of not rejecting the idea of making all the progress towards uniting Europe which is still possible.

No one, we Italians least of all, wants to do anything without France. It is with the greatest regret that we note how limited the area is in which we can go forward with France. We should constantly strive to enlarge this area and to maintain a common front with Germany and the Benelux countries; here we can rely on the natural capacity for real understanding between the two peoples. But it should also be quite clear that our sense of responsibility must prompt us not to refuse to go forward in uniting Europe in fields not covered by the Treaty simply because Paris is not ready at present to go forward with us.'

Mr. Colombo then said: 'The vision we have is that of a Europe which will not lose its identity in the Atlantic context, which will not fall into the error of European nationalism, which can resist the temptation to become a third force and become a force for progress and peace.'

He stressed the need to enlist the support of the younger generation in the political revival of Europe: 'To be successful, this revival must be the business of the young for it is in them that the hopes and problems, aspirations and demands, the whole way of thinking and being, are reflected. This raises a serious question: whether Europe can represent the powerful driving force for today's youth that it was for us after the war and whether it is not going to be lined with the rhetorical remnants of a fine promise that has not been kept, that has been swept aside by events. I think we must have the courage to accept the fact that a fair proposition of the more restive but at the same time more dynamic members of the younger generation has failed, regardless of political party allegiances, to find any prospect, in the work of uniting Europe now under way, of a solution to so many of the problems in our society which we sense are facing Europe today. What are the reasons for this darkness and what are the remedies?

The creation of a really united Europe is being constantly deferred, i. e. the creation of a Europe that can give a higher meaning to the work and to the endeavours of its component peoples. This cannot but have serious psychological and moral repercussions on the younger generation.

Student unrest in varying forms has been seen in all the member States. It has ignored frontiers and nationalities reflecting the state of confusion in the world at large. It springs, too, from disillusionment with Europe and our inability steadily to develop a new ideal, side by side with the technical effort we need, to which the young can give their support.'

(Corriere della Sera, Il Popolo, Avvenire, 8 February 1969)

6. Statement made in the Senate by Mr. Nenni, Italian Foreign Minister

Speaking in the Senate, Mr. Nenni, Foreign Minister, recalled that the Italian Government had submitted a document to the WEU Council in Luxembourg on 6 and 7 February, containing a series of proposals to step up European co-operation; these proposals had been endorsed by six of the seven members of the WEU. The British Foreign Minister had, in turn, proposed that the WEU Council should be convened to look into the situation in the Middle East.

The British proposal, which was favourably received by Italy, Germany and the three Benelux countries, was translated into practical terms at the meeting of the WEU Council in London on 14 February, which the French rep-

representative did not attend. It was noted that this voluntary absence was resorted to by the French Government to challenge the technical legality of the meeting in London and of the subsequent one on 18 February; this attitude appeared to be not only legally untenable (in that it clashed with the spirit and the letter of the Treaty), but, above all, politically unacceptable; the Minister said that the countries of Europe would succeed in being fully independent and in exerting an influence in building world peace only if the political and economic unity of Europe were achieved. If there was, furthermore, a problem which interested Europe, it was certainly that of the Middle East, and the most appropriate place for discussing it was the WEU. The same could be said of problems concerning relations with the USA and the USSR, European security and the dialogue which had, despite the events in Prague, to be resumed with the East European countries. The Minister then asked what point there was in the statements made in Paris about a European Europe if the procedure followed was that of vetoes in the Common Market and in the WEU, with overtones of Heaven alone knew what dreams in the 'directoire' idiom, at a time when Europe needs the support of all the democratic countries just as it would, one day need that of all those in the Centre and in the East of the Continent.

Mr. Nenni then stressed the need to progress further with unification, so as to realize a true supranational Community. Hence the unacceptability of one Government's failure to co-operate which was holding back the drive towards agreement and unity.

Italy was ready to resume the discussions at the WEU Council meeting on 5 May and to have talks with France when, as announced, the French Foreign Minister visited Rome. It was, however, clear that the Italian Government intended to proceed along the lines indicated in Luxembourg to step up political co-operation in the WEU, if this were possible, or to seek a different approach in company with others who shared its assessment of the overriding need for the European countries to act together politically and establish a common front on the main problems of international politics.

The Foreign Minister then referred to the resumption of work by the Committee of Eighteen on disarmament in Geneva; he said that this work could be resumed on the solid basis of the non-proliferation treaty and that Italy could have a say on this Committee because it had taken practical steps to implement the rules of the Treaty on the guarantees given to all States to use nuclear technology for peaceful purposes.



Lastly, with reference to Czechoslovakia, he observed that Italy's signature of the non-proliferation treaty had in no way changed the Government's assessment of these events, nor had it in any way affected its solidarity with the Czechoslovak people, whose resistance to the occupation had been one of the highest manifestations of human and national dignity.

(Senate of the Italian Republic, Summary Report of 25 February 1969)

7. Messrs. Rey, Harmel, Brandt and Luns visit Rome

The Foreign Ministers of the member States and Mr. Rey, President of the European Commission, recently went, in turn, to Rome on official visits.

On 7 March, Mr. Rey had talks there with Mr. Rumor, President of the Council, and Mr. Nenni, Foreign Minister. The subjects discussed were the forthcoming conclusion of the transitional period in the Common Market, the consolidation of the Community institutions, the Commission memorandum on agricultural policy and the future Euratom.

Mr. Rey also addressed the Centre for Studies into International Understanding in Rome, where he said that problems were not eliminated simply by giving up the idea of solving them. In fact, rejecting the United Kingdom, which was knocking on the door of the European Community, did not resolve the issue that its application raised. It was perfectly true that Britain had internal problems to solve. It was equally true that enlarging the Community from six to ten members would imply an appreciable modification of its structures. But these were problems that had to be looked into and thrashed out: one could not set them on one side in the hope that they would solve themselves.

Mr. Harmel was the first of the Foreign Ministers to visit Rome. From his visit, there emerged an agreement between the Belgian and Italian Governments on problems relating to European policy and particularly to the ECU.

Mr. Brandt, German Foreign Minister, was next in Rome, on 14 February. He had talks with Mr. Nenni. Among the points discussed was Britain's accession to the European Communities. Mr. Brandt recalled that

Britain had asked Germany and the other countries to adopt a firmer attitude with regard to France. The two Ministers were in favour of consultations with the United Kingdom in the WEU context.

The last to visit Rome was Mr. Luns, Dutch Foreign Minister, who was there on 19 March. In the course of his talks with leading Italians, it was noted that the signature of the non-proliferation treaty raised problems for Italy with regard to the peaceful uses of atomic energy. One of these stemmed from the agreement between Britain, the Netherlands and Germany on the production of enriched uranium. In this connexion, the Dutch Foreign Minister gave an assurance that the Netherlands would favour the association of Italy and other countries in this agreement, which would soon move from the purely experimental phase to that of practical utilization.

(Corriere della Sera, 15 February and 8 March 1969;  
Le Soir, 14 January 1969;  
La Stampa, 20 March 1969)

## Luxembourg

### European aspects of the new Government's policy

Following the legislative elections of 15 December 1968, Mr. Werner formed a coalition government between the Christian Social Party and the Democratic Party on 6 February 1969.

On 11 February 1969, Mr. Werner delivered the governmental address to the Chamber of Deputies.

As regards foreign and Community policy he said: 'It is to the point to remember the key function of the Grand Duchy's foreign policy; this has to be both sound and dynamic; its purpose must be to safeguard the personality and sovereignty of our country; it must give active consideration to expanding our economic activities by winning new markets and expanding those already won.

For nations to live together involves mutual obligations and new solidarities come into being every day. The steadfastness of our aims in this sphere makes any further comment on my part unnecessary.

I cannot, however, omit to mention the special interest we still attach to the policy of integration within larger economic areas and to the extension of the Community process in economic and political spheres, where the essential cohesion of Europe, which is becoming increasingly united, so requires.

With these successive degrees of union, we should like to reaffirm the special links we have with our partners in the Belgo-Luxembourg Economic Union and with the Benelux Group and with the other members of the European Community.

The enlargement of the Communities through the admission of other European States, their consolidation by increased integration, remain the essential aims of our foreign policy.

The Government intends to keep faith with the Atlantic Alliance without, at the same time, losing sight of the steady improvement in our relations with countries which are not members of the Alliance.

We shall endeavour, within the specialized international organizations, to make a worthwhile contribution towards helping the less-favoured nations.

The Government will defend Luxembourg's position as regards the importance of our capital in the European context and the position it has acquired as an international financial centre.'

(Luxemburger Wort, 12 February 1969)

## Netherlands

### 1. Report by the Minister for Economic Affairs to the Committees for Foreign Affairs and Nuclear Energy concerning Euratom

Dr. L. de Block, Minister for Economic Affairs explained to the Committees for Foreign Affairs and Nuclear Energy that the Netherlands would be in a very delicate position with regard to Euratom if no agreement was reached about the future activities of the Euratom Centre at Petten and in particular about Euratom's operation of the high flux reactor. This reactor would, if necessary, have to be taken over by the Dutch national authority. A great deal was at stake here. This testing facility was operated under the direction of Euratom through the agency of the Dutch reactor centre. There were many interested parties involved. If Euratom ceased to make funds available for Dutch activities under its association, the Netherlands would be faced with a difficult budgetary problem. The contribution of 20 million for Euratom planned for 1969 would not be adequate.

With reference to the Euratom crisis, he said that the organization lacked competent direction. One great difficulty, he said, was that the Commission and the Ministers responsible for Euratom had too little technical knowledge. In his view, it would be desirable to set up a council of specialists to organize Euratom's programme on behalf of the Council of Ministers.

Dr. de Block was very pessimistic about the future of Euratom. A European policy for energy and industry had been stymied by differences in structure and national interests. He said that these national interests would continue to determine developments in this sphere.

He felt that Euratom still had work to do in general research and in providing services i.e. in areas which had no direct industrial application. He did not agree with his colleagues on this point because the nuclear research potential in the member States was already too great. The member States should assign a proportion of their own research endeavours to Euratom. Of course France would like to make the greatest possible use of the Euratom Centre's capacity for supplementary programmes. This meant that the use of three quarters of the potential of the European organizations would be dependent on the willingness of the member States freely to co-operate in certain programmes. The Netherlands was opposed to such a plan. Belgium had proposed that in any event the infrastructure of these common centres should be jointly financed.

Dr. de Block feared that difficulties would arise concerning the apportionment key. He went on to discuss the difficult situation confronting the heavy-water reactors. At present four types were being developed in the Community. A choice had to be made. He thought that agreement on this point was not to be expected. The development of this type of nuclear power station - with the exception of the Orgel project - fell within the framework of national programmes. Euratom was involved in this work through association agreements. The European Commission had ear-marked 50 million accounting units for the development of heavy-water reactors. Dr. de Block said that the financial involvement of the Benelux countries was only a small one.

Dr. de Block was asked if the lack of a European company law was responsible for the present situation; he replied that European company law would only be relevant if amalgamations were under discussion. Trans-national amalgamations between enterprises concerned with nuclear energy were certainly not going to be on the agenda in the near future.

In reply to questions concerning the Orgel project, Dr. de Block said that industry had been asked to design a large reactor; only one tender had been submitted and this had not been satisfactory.

(Letter of the Minister for Economic Affairs, 1968-69 session No. 9800-20; Handels & Transport Courant, 30 January 1969)

2. The Second Chamber discusses European policy

On 25, 26 and 27 February and on 5 and 6 March the Second Chamber held a debate on the Foreign Affairs budget. Mr. Luns, Foreign Minister, made it quite clear that the Government had no intention of changing its European policy.

With regard to political co-operation, Mr. Luns said that the Benelux proposals for wider European collaboration had not been withdrawn and that the Benelux countries would do their best to bring these up for discussion as soon as it was possible for them to do so with some prospect of success. He was referring to the proposals made early in 1968 to work together with European countries which were so disposed in areas of policy that were not covered by the European Treaties. The examples quoted were the joint development, production and acquisition of military material, co-operation in clearly defined areas in science and technology and assistance for the developing countries.

It was also intended to make the Benelux consultations on foreign policy more effective. It was hoped that other countries would take part in these discussions with a view to furthering the cause of political unity in Europe.

This plan was not superseded by the Harmel Plan for WEU co-operation on defence, technology and monetary and foreign affairs or by the simplified version of it, the Nenni Plan, which was limited to political consultations on the WEU.

Mr. Luns was quite unequivocal in his views on the WEU crisis and the problem of political consultations there. He described the (very restrictive) French interpretation of the WEU Treaty concerning the unanimity rule as untenable; he warned that the other six members should not follow France's example if it left the organization; this would be in conflict with the stipulation that the treaty was binding on its members for at least 50 years. He added that the obligations stemming from the treaty would continue to remain in force for the six countries. It was paradoxical, he said, that Article 5 of this Treaty should make it automatically obligatory to give military assistance if a member country was attacked and that these States should not be able to hold consultations in times of peace because one country objected. He further pointed out that the agenda of the WEU Council always included the item 'unforeseen occurrences' whereby any State could raise any issue without there being any need for unanimous agreement to do so.

Mr. Visser (Democracy 1966 Party) and Mr. Schuijt (Catholic People's Party) questioned the Minister about Dutch policy in the Mediterranean; they supported an association with Israel and wanted to know if it would be politic to link the associations with Tunisia and Morocco with that with Israel. The Dutch Government's view, Mr. Luns replied, had been put forward several times: the EEC should pursue a balanced policy for the whole of the Mediterranean area; extending trade preferences to certain countries should not affect the market opportunities in the Community offered to others. Mr. Visser said that the Arab States neighbouring Israel should be compensated by development assistance to counter-balance the association with Israel. In reply, Mr. Luns stated that the Netherlands would see no objection to special arrangements being extended to some of the Arab States in the Mediterranean for their trade with the EEC. He made it quite clear, however, that apart from Tunisia and Morocco, none of these had so far shown the slightest interest in any such arrangement.

The Government's minimum objective, when the association agreement was signed with Tunisia and Morocco, would be to secure a mandate regarding Israel. Mr. Luns admitted there was little chance this would be achieved. In the talks that had been held on this subject so far, there was one member State which would not enter into the discussion of any settlement with Israel and would not even discuss procedure. For this reason, the Netherlands would use

the association with Tunisia and Morocco to the greatest tactical advantage on Israel's behalf. He had spoken about this problem with his French colleague but had not gained the impression that there would be any change in the French attitude. This was a matter decided upon at the highest level. The question now was whether the Netherlands had to go from threats to irrevocable action. After careful consideration, the Cabinet had concluded that this was not a reasonable policy to follow. To link the two problems would mean deferring the association with Tunisia and Morocco indefinitely without, at the same time, getting any further in helping Israel. It would not exert effective pressure on France if the association with the North African countries were held up. France still had special economic relations with these countries under the 'Morocco Protocol'. France itself had no direct interest in the conclusion of these associations. It might even be said that French influence would decrease and that that of the other member States would increase. Holding up the North African associations would not affect France either politically or economically. In any case, Morocco and Tunisia represented the most moderate wing in the Arab camp. They constituted an appreciable factor for stability in the Mediterranean. 'The association of these countries with the EEC will help to maintain this state of affairs. Holding up the association would have the opposite effect and embitter these countries not only towards the EEC and the Netherlands in particular but also towards Israel.'

When the EEC Treaty was signed in 1957, the six governments made a declaration concerning certain independent territories in the French franc area (including Tunisia and Morocco) of their readiness, as soon as the Treaty came into force, to propose to these countries that negotiations be opened with a view to concluding conventions for economic association with the Community. It was very difficult for the Dutch Government to forget this promise because of its long tradition of fulfilling its obligations.

(Second Chamber, Session 1968-1969, Foreign Affairs, 27 February 1969)

3. Co-operation between the Netherlands, the United Kingdom and the Federal Republic on uranium enrichment

At a meeting held in London on 11 March 1969, the United Kingdom, West Germany and the Netherlands came to a wide measure of agreement on a common plan for producing enriched uranium for non-military purposes by Professor Kistemaker's ultra-centrifuging process. Following the talks, it was announced that the production plants would be in England and the Netherlands, with an administrative centre in West Germany. Officials from the three governments will work out the final details and draw up a draft agreement. This



will be discussed at a further ministerial meeting in June. The three countries are to set up two organizations:

1. A consortium of the three countries to build centrifuging and enrichment plants;
2. An industrial group made up from firms in the three countries to engage in the actual production of enriched uranium.

It was also decided to integrate research into centrifuging and make the maximum use of the laboratories belonging to the State and those in industry in each country. It was agreed that the construction of the first two joint power stations would begin simultaneously in England and the Netherlands.

The Ministers were unanimous in recognizing that the non-proliferation treaty necessitated appropriate two-way commitments and guarantee clauses. The Soviet Union had already said that the plan could help West Germany to acquire nuclear weapons.

Mr. Stoltenberg, a West German Minister, said at a press conference that there was no fundamental disagreement over the principle of non-proliferation.

Mr. De Block, a Dutch Minister, said that he was greatly encouraged by the progress made on the project. When a few problems, still to be dealt with, had been solved, an agreement could be signed.

The foundation stone of a Dutch pilot plant for producing enriched uranium would be laid in April. This fuel will provide adequate, cheap energy for nuclear power stations; they will then be competitive with conventional power stations in producing electricity. This plant should come on stream with an annual capacity of 25 tons of enriched uranium by mid-1971. The Netherlands will also build a plant specially to produce the drums needed for uranium enrichment concerning which much research has been carried out in the Netherlands.

Industry will be participating in the uranium project. Consultations are still in progress with regard to the participation of other governments and industry in the ultracentrifuging project but the option to admit other parties will remain open.

Little concern is felt in The Hague about criticism occasioned by the fact that other European countries are not involved in these talks. Responsible

circles indicate that other countries are interested in this project; indeed there was evidence of this before the talks began.

However explicitly it may be stated that the ultra-centrifuging project is non-exclusive, it was not deemed appropriate to use the talks between the three promoting countries as a forum to which other countries could be convened at this stage; their contribution to the negotiations could not have been regarded as having the same immediate relevance.

The two series of tripartite discussions (in The Hague and in London) were intended as talks between parties able to make roughly the same contribution to a common project. The term 'contribution' must be understood in the widest possible sense; it comprises the technical, scientific and commercial aspects of building a fissile material plant. There was no reason to bring in other countries at this stage. Mr. De Block stressed that other countries would be able to take part in the project. He confidentially informed the Standing Committee for Foreign Affairs and Nuclear Energy about the outcome of the talks.

Setting up ultra-centrifuging plants would involve establishing a tri-national, general management committee and three new enterprises: (i) a tripartite holding company, (ii) a tripartite constructing company and (iii) a national investment company to include the State and the four private enterprises concerned.

To carry through their joint project for producing enriched uranium by ultra-centrifuging, the United Kingdom, West Germany and the Netherlands will set up a joint holding company which will have a 51 per cent share in the two fuel-manufacturing plants; that in the United Kingdom will have a capacity of 300 tons and that in the Netherlands a capacity of 25 tons.

The United Kingdom will itself pay the other 49 per cent of the cost of the plant to be built in Britain. West Germany and the Netherlands will share the remaining 49 per cent of the cost of the plant to be built in the Netherlands.

At a later stage, the holding company will completely take over the installations now established and any that may be built in future. This holding system makes for flexibility and is designed particularly to cover the possible participation of other countries in fuel-manufacturing. When Mr. Luns came back from Italy, he spoke of the interest shown by other countries. The Italian Government had, he said, shown great interest in the project and had noted with satisfaction the outcome of the London talks.

In this connexion, Mr. De Block stated (after talks with the Committees of the Chamber) that consultations with other countries on their possible co-operation would only take place once talks on tripartite co-operation had been completed and an agreement signed. It had been decided that a working party could immediately look into the various possibilities of co-operation and lay down guidelines for negotiations with other countries.

(Handels & Transport Courant, 12 March 1969;  
'De Tijd', 12 March 1969;  
Nieuwe Rotterdamse Courant, 20 and 21 March 1969)

4. Parliamentary questions  
Statement by Mr. Barre, Vice-President of the European Commission

On 10 December 1968, Mr. Oele, a Labour MP in the Second Chamber, put a written question to the Government asking its views about a certain statement made by Mr. Barre to the effect that :

- (a) 'None of the six Governments is prepared to accept a supranational Europe.
- (b) The Treaty of Rome can scarcely be regarded as a supranational one. The implementation of the Treaty leaves even less doubt on this subject.
- (c) It is not to be anticipated that a supranational body will be able to operate in the foreseeable future.
- (d) The way decisions are taken on the Council of Ministers under the majority-vote system ceases to be a problem if the Commission and Council each remain within their respective areas.
- (e) As regards the Europe of the future, the choice now is between a new type of OECD and a European Community which will develop efficiently and logically along pragmatic lines.'

Mr. Oele wished to know, with reference to point (d), if the Government thought that Mr. Barre was here endorsing the views of the French Government concerning the nature of the agreement reached in Luxembourg in January 1966 and thereby disregarding the viewpoint of the other five Governments.

In reply, Mr. Luns, Foreign Minister, stated on 10 February that in so far as Mr. Barre actually said that none of the six governments was ready to accept a supranational Europe, his statement was inaccurate in regard to the Dutch Government.

Mr. Barre was, furthermore, speaking entirely in a personal capacity.

Generally speaking, the Government felt that enquiries to the Commission or its individual members on the statement referred to, should be avoided. The Government recognized the right of members of the Commission to speak freely and shared the view expressed by Mr. Rey, Chairman of the Commission on this point at the European Parliament session on 3 July 1968. Although Mr. Luns recognized a distinction had to be made between moves that might be made with regard to subjective statements and moves designed to correct errors of fact, the Minister of Foreign Affairs would prefer not to take action even in the case of the latter so as to avoid giving the impression the Dutch had any desire to challenge the right to free speech. There would be enough opportunities for the Government - in the presence of members of the Commission - to state its real opinions about a supranational Europe as indeed had repeatedly been the case in the past.

It was not for the Governments to interpret the words of Mr. Barre. These were, in any case, at odds with the standpoint of the Government, which had always called for majority-vote decisions on the Council.

(Second Chamber, Proceedings, Annex, Session 1968-1969, p 773)

### European security

In reply to Messrs. Westerterp and Kleisterlee, (Catholic People's Party) Members of the Second Chamber, Mr. Luns, the Foreign Minister, stated on 24 February that negotiations concerning European defence questions should not be conducted by a committee made up on a fifty-fifty basis only of individual members of the NATO and Warsaw Pact Alliances.

The parliamentarians had asked if the Government was ready to further the inclusion of the Netherlands as a member of a European defence committee, which would deal with the fundamental issues involved in a peace

settlement for Central Europe. The setting up of such a committee, which would include East and West Germany, Italy, Poland, Czechoslovakia and Hungary, had been proposed by a working party of prominent Americans.

Mr. Luns felt that preparations for conducting negotiations with a view to a settlement of the German question and that of Berlin, to securing defence guarantees in both the conventional and nuclear fields together with the necessary control measures, could not be entrusted to a committee because the vital interests of all European countries, the United States and Canada were involved.

(Second Chamber, Proceedings, Annex, Session 1968-69, p. 887)

#### The EEC and Israel

In reply to questions put by Mr. Dankert, a member of the Second Chamber (Labour Party) on the association agreements with Tunisia and Morocco on the one hand and Israel on the other, Mr. Luns, Foreign Minister, stated on 27 March that he had done his utmost at the EEC Council session of 3 March to get the Council at least to agree on a mandate for negotiating with Israel on the occasion of the signature of the agreement with Tunisia and Morocco. In order that unanimous agreement might more readily be reached on such a mandate, the Netherlands had proposed that the agreement with Israel should not, as had previously always been requested, involve complete freedom of trade but be limited in the first stage to a reduction of 60 per cent in customs duties on industrial products. The number of years needed to complete the customs dismantlement would subsequently be decided by unanimous agreement.

The Council did not even come to a decision on this more limited proposal. At the instance of the Netherlands, however, and with the support of some other countries, the Commission undertook to submit a practical proposal to the Council for a mandate to negotiate with Israel. On the Council, the Netherlands had upheld its reservation with regard to approving the agreements with Tunisia and Morocco. After deliberating, the Government had decided to withdraw this reservation. To uphold it would have led to a delay in the signature of these agreements, with all the disadvantages that this would have involved. The Government would continue to do all in its power to secure the definition of a mandate for negotiations with Israel.

(Second Chamber, Proceedings, Annex, Session 1968-69, p. 1145)

United States

Secretary of State Rogers' statement on Europe to the Senate Foreign Relations Committee

Following is the text of the statement on Europe prepared for presentation to the Senate Foreign Relations Committee, March 27, by Secretary of State William P. Rogers :

' . . . . The President's journey to Western Europe - made only five weeks after his inauguration - testified to the importance the administration will attach to our Atlantic policy.

We believe that the trip was a success. It has injected a new climate of confidence and trust into the alliance. Our European friends were impressed not only by the timing of the President's trip but by its down-to-earth working nature, its wide-open agenda, and above all, by the spirit in which it was undertaken.

The President made clear that we are prepared to listen with new attentiveness to the views of our allies and that we plan to consult with them on all matters of mutual concern. He particularly emphasized that there will be ample consultation and a full consideration of their interests before and during any negotiations we undertake with the Soviet Union.

An important part of the President's purpose was to reaffirm our commitment to a strong and flexible NATO, the significance of which has been only too clearly brought home to Europe and to us by the rude invasion of Czechoslovakia in 1968 and the disturbing Soviet Doctrine under which it purports to have the right to override the sovereignty of others.

. . . . .

This administration's long-range sympathies remain with those Europeans who see their most hopeful future in an independent Europe increasingly united. It is neither appropriate nor feasible for us to chart a blueprint for European union. This is Europe's concern. But the United States is at one with those Europeans who see the best future of their continent in a progressive

release of those great energies which cannot reach their full potential within traditional frontiers.

The United States' pledge of continuing support to NATO and the other institutions of the Atlantic system including the European Communities, does not, of course, preclude an active development of bilateral relations. Our relations with France, troubled in the recent past, have already changed for the better. In his visit to Paris the President held candid and constructive talks with President de Gaulle. The improved atmosphere in Franco-American relations should make outstanding differences between us easier to resolve.

This administration will also seek wherever possible to develop normal and mutually beneficial relations with the Eastern European nations. We do not regard the sovereignty of the States of Eastern Europe to be under any restrictions and we will deal with each country as one sovereign nation to another. Progress will, of course, depend on the extent to which Governments are representative of the national will.

Yugoslavia for long and Rumania more recently have pursued courses of sovereign national interest within the Communist world. Their example is important. Our relations with them are marked by growing understanding and co-operation in the economic, cultural, scientific, and other spheres.

In Czechoslovakia, also, in spite of the continued presence of Soviet troops, the people and their leaders are striving, amidst great difficulties and pressures, to preserve what they can of the reforms which they had also started within their own system. We shall do what we can to be helpful under the circumstances, including making efforts to solve bilateral problems such as the gold and claims issues.

The continuing Soviet occupation of Czechoslovakia after earlier promises of withdrawal, cannot be condoned by world opinion. Nevertheless, we are convinced that the currents of progress and national independence in the area are running too deep to be very long denied. We are confident that they will ultimately prevail.'

(News Bulletin of the U.S.I.S., No. 60, March 28, 1969)





## II. PARTIES AND PROMINENT POLITICIANS

### 1. Will the EEC collapse because of the way agriculture is financed? Mr. Lücker, the CDU MP states his views

The official CDU publication 'Deutsches Monatsblatt' (German monthly) contains an article in which Mr. Hans August Lücker asks whether the EEC will collapse because of the way agriculture is financed.

He began his article by indicating that the question was deliberately provocative. In his answer, however, he wanted to get down to brass tacks and look at the facts to get the discussion back into focus. It was his impression that the public debate on revising the agricultural policy which was being held in connexion with the end of the transition period and of the financial arrangements obtaining until that date, had led, with increasing frequency to irrelevancies and even hysteria which complicated the issues, clouded judgements and gradually created an atmosphere in which the decisions to be taken could only be prejudicial and lead to 'false compromises'.

Mr. Lücker indicated that the EAGGF called for DM 10,000m, which represented about 2.5 per cent of the total budgets of the six member States. The British Government had in recent years spent 2.4 to 2.6 per cent of its national budget in expenditure comparable to that under the 'Guarantee' section of the Fund. The national income of the Community in 1970 was estimated at DM 1,184,000m.; the figure quoted of DM 10,000m. under the EAGGF would be 0.85 per cent of this.

He concluded by saying that the Community had appropriated DM 5,840m. to finance the coal policy in 1967; this represented 40 per cent of the value of coal production. If one calculated the figure for national appropriations for agriculture these hardly amounted to 20 per cent of the value of agricultural production. The 561,500 people employed in the coal mines in 1967 attracted a per capita subsidy of DM 10,500 whereas, according to the calculations of the Dutch MP, Mr. Vredeling, the payments on behalf of those employed in agriculture amounted to around DM 1,000 for each individual.

Mr. Lücker stressed that he was not opposed to subsidies for coal because that industry could not exist in a modern economy without them. On the other hand, he was strongly incensed by the defamatory statement that State assistance for agriculture was unjustified, a waste or an unreasonable demand. All those involved should try to observe a correct sense of proportion and not fall into the error of alleging difficulties in order thereby the better to protect their own interests.

(Deutsches Monatsblatt, Jahrgang 16, Nr. 1 1969, p. 16)

## 2. A statement by Dr. Erhard on European policy

Writing in a Lloyds Bank monthly publication on 6 January 1969, Dr. Erhard, former German Chancellor, put the case for a greater and stronger European Community; he also criticized the French attempt to win a predominant position in Western Europe.

He said that one of the most urgent tasks facing Mr. Nixon, the future American President, and his European allies, would be to review the Atlantic Alliance and strengthen it internally. Without mentioning President de Gaulle by name, Dr. Erhard referred to the concept of a Europe stretching from the Atlantic to the Urals; he said that before any links could be forged between the East and West of the continent, the free Europe must first unite.

The whole external trade of each of the West European trade blocs had increased much more than the trade of EFTA and the EEC with each other, a fact which led one to conclude that a process of division was already under way. This threatened to jeopardize the attempt to integrate Europe as a single economic and currency bloc. No one could dispute that the present status of Europe and its internal structure were regarded not only by those directly involved but also by the rest of the world as extremely exceptionable and unsatisfactory.

The basic issue was now that whether the Europe of the Six wanted to persist in its isolation from the rest of the continent or whether some form of breakthrough was possible, in the European interest, to make Europe credible.

(Frankfurter Allgemeine Zeitung, 7 February 1969)

3. The Italian Liberal Party takes a stand in favour of European unity

The Italian Liberal Party held its 11th Congress in Rome from 7 to 12 January. At its close, it passed a resolution in which it adopted a stand in favour of European integration in the following terms :

'Liberals are striving for a united Europe embracing the United Kingdom and the other democratic sovereign States of our continent directed by federal democratic institutions and standing in better-balanced alliance with the United States. This struggle may, in view of the Gaullist position, imply making moves which temporarily exclude France without in any way being directed against that country. In the immediate future, this struggle implies a demand, which the Liberal Party repeats, that the Italian representatives to the European Parliament should be elected by direct universal suffrage. . . . The unification of Europe and the Atlantic Alliance go back, in the Liberal view, to one fundamental governing principle: the liberal countries of the West which, taken together, lead the world in culture and technology as well as in economic and military strength, cannot serve themselves unless they serve the world by contributing to a state of balance, to peace, to the advancement of freedom and the progress of prosperity for thousands of million human beings who stand deprived of these things. They cannot serve the world in this way if they do not maintain and tighten links of solidarity between them in a union of free people for the purposes of freedom.'

The problem of the political unification of Europe was dealt with earlier in the debate by various speakers, including Mr. Pleven, President of the Liberal and Allies Group of the European Parliament, and Mr. Malagodi, Secretary-General of the Party.

In this connexion, Mr. Pleven stated : 'Europe today needs a new impetus on no less a scale than that which eleven years ago enabled Mr. Gaetano Martino to get European unification moving again (after the failure of the EDC) and to obtain the accession to the Treaties of Rome of the six countries which became its signatories. The customs union which has now been realized is only one stage. What is needed is the economic union. An embryo of political power is essential for co-ordinating monetary policies. The European institutions must be democratized.. University exchanges must be systematically organized and intensified. You, Italian Liberals, seem to me to be better placed than any to take the initiative in making the necessary proposals to impart a new impetus to the Community. If you should decide to act in this way, you can count on the co-operation and support of all European Liberals... European Liberalism must take it as its ambition to act not only with regard to uniting Europe but in the wider context of relations between Europe and the other parts of the world, both those in the vanguard of economic progress and

those in the process of development. Modern Liberalism has no complexes with regard to the American economic power because it has, for a long time, argued that none of the secrets, none of the mainsprings of this power are inaccessible to Europeans, provided that they become federated and do not allow any wastage of their resources in large-scale national enterprises where a concern for prestige overrides a concern for profitability.....'

In his opening address to the Congress, Mr. Malagodi said: 'We need to admit that the struggle for the political unification of the free Europe, embracing the United Kingdom and based on institutions elected by direct universal suffrage, is and will remain a fundamental struggle for us. There are political, military, economic and social reasons for this. All these go back to a single dynamic, cause. In the world of today, European society has a great deal to say. If Europe is divided, its voice will be faint. The world needs Europe. Europe will not be able to serve itself if it does not serve the world. Only a united Europe will measure up to all that our continent can give and all that it must safeguard. Europe cannot indefinitely remain a subject for politics between the United States and the USSR (and China) if it is to preserve its present degree of social advancement and its creative abilities. Europe suffers from its division in its relations with the United States because the overwhelming disproportion between the leadership and the European individual generates germs of irresponsibility, resentment and mistrust. The European idea must thus remain axiomatic in our objectives, whatever the disappointments or difficulties. There is agreement on this within the Liberal International and within the Social and Democratic Internationals, with whom we have proposed a meeting for this purpose. If necessary, we have to go forward, not against the France of de Gaulle but for the time being even without France.'

(Italian Liberal Party, Report of the retiring Secretary-General Mr. Malagodi - Motion 'New freedom', European Parliament, Liberal and Allies Group, speech made by President Pleven to the Italian Liberal Party Congress)

#### 4. Letter from Lord Gladwyn to The Times

'Sir, - Monsieur Jean Monnet has engaged great experts to prepare a plan for the entry of Britain into the European Economic Community acceptable to all political parties in EEC countries and Britain - Gaullists and communists who, however, between them, command a very large majority in the French Assembly, excepted - thus demonstrating that Gaullist opposition to British entry is entirely "arbitrary".

Excellent so far as it goes, the Monnet exercise cannot, by itself, achieve the end. Talks between experts, however useful, are no substitute for negotiations between governments. Besides, the feasibility of the extension of the EEC hardly needs demonstration. In Brussels, it is almost taken for granted. What is lacking is the political will.

Secondly, President de Gaulle's opposition is clearly "arbitrary" in the sense that it rests on the (perfectly valid) assumption that British entry would frustrate his efforts to create a European "Confederation" based on French hegemony and to destroy the existing (supra-national) Community in the process. Little need for experts to establish this stark fact.

What is, therefore, badly wanted in addition is action to stop the rot. All European democracies convinced that European unity can only be achieved by acceptance of a "no-veto" - i.e., a non-Gaullist - system, should contemplate the formation of a new and all-embracing Community in which this simple principle would increasingly apply. Few outside France want to weaken the existing Community now being sabotaged by the Gaullists, but in the areas not specifically covered by the Treaties of Rome, such as "Technology" and arms procurement and standardization, monetary matters, and even defence and foreign policies, there are great opportunities for action by all those disposed in principle to accept some form of democratic majority rule.

If Her Majesty's Government strongly supported some such proposal, they would regain an initiative lost in the fatal year 1956. At a second "Messina" Conference the shape of a new "Europe", within the Atlantic Alliance, could emerge. In such a forum it might also be possible to work out the basic formulae for a British entry into the EEC to be negotiated later. Just as a nationalistic Britain, officially absent from the first "Messina", was ultimately obliged to come along, so a nationalistic France, if she could not attend a second "Messina", would ultimately, by the force of things, be obliged to come along also. Not a question of her friends' forcing France to do anything; only of persuading her to see the light.

But Britain must first herself see the light - now happily shining quite brightly in Whitehall. All means of attaining European unity should thus be fostered by Her Majesty's Government, provided only it is real unity they seek. At last we have a mission worthy of our history. It is to create in Western Europe, by democratic means, a common will that, once operating, will undermine the vicious and doomed system of totally independent nation states throughout the habitable globe.'

(The Times, 4 February 1969)

5. The Robert Schuman Prize for 1969 is awarded to Professor Hallstein

On 6 February 1969 Professor Walter Hallstein, former President of the EEC Commission, received the Robert Schuman Prize for 1969 from the Rector of the University of Bonn.

On the occasion of the award Professor Hallstein spoke about the Communities as the embryo of a European Federation. He began by saying that modern industrial society was a carefully balanced dovetailing of individual freedom and public order. In legislation, as in economic and social policy, the public authority enacted the social and economic order which was appropriate. This order made up a society out of its manifold economic and social aspects.

This applied to the national sphere and also where preparations were being made to create a society by merging several national economies - as was the case in the EEC. A public authority that covered the whole Community area found expression in Community law and in a Community policy.

To create the economic area of the Communities, the Community bodies had to be operative. These bodies - European Court of Justice, European Parliament, Council of Ministers and Commission - were built in the Communities on federal lines.

The centre of all this was the 'dialogue' between the Council and the Commission, which was dependent on the governments. Both were involved in the decision-taking process, the Council particularly as a body taking legislative decisions and the Commission having the monopoly of legislative proposals and as guardian of the Treaty. This balance between the Community bodies was also part of the balance of give-and-take by the partners of the basic Treaty as it was in purely economic and social agreements and was therefore equally binding.

Professor Hallstein said that the existing Communities had a pronounced political content. They were a part of the European constitution. Since these Communities were not built for purely economic and social reasons but to pave the way to a full federation, they were not just a preparation for this federation but its first manifestation. They were economic and social policy Communities. They were a partial implementation; other political matters had to be brought in, particularly external affairs and defence, to complete the federation.

Experience had one compelling lesson: the embodiment of the European Communities' interests, as formed for the existing Community by the Commission, was essential if the whole was to be effective and permanent.

The existence, the efficiency and the potential for development of the existing Communities had therefore not only to be protected and consolidated for their sakes but also because they were the embryo of the European federation.

(VWD-Europa, No. 26 of 6 February 1969)

6. Mr. Giscard d'Estaing's party, the Independent Republicans, launches a European offensive

The Federation of Independent Republicans published what amounted to a statement of their views on Europe in 'Réponses', their weekly review; this was written by their Working Party on European Problems. In the meantime, their leader, Mr. Giscard d'Estaing, was engaged in a series of visits, among which his talks with the political leaders in Bonn were particularly noteworthy. On his return, on 6 February 1969, he gave a press conference at which he spoke of higher education and monetary affairs as two focal points for a new dynamism in relations between France and Germany. 'The generation now in power in the Federal Republic is convinced, as indeed I am myself, that the political organization of Europe is the great task now facing it. Our efforts and our thinking should be geared to this principle.

We, as a political group and I, as the representative of a generation were interested in articulating the prospects for uniting Europe. Franco-German relations have been tempered by crises but we remain convinced that a Franco-German understanding is the basis for building a political Europe.'

Meanwhile, another Independent Republican group, specializing in European affairs, published a study on European unification; this was the group led by Mr. Jean de Broglie and Mr. Boscary-Monsservin, members of the European Parliament, and Messrs. Bernard Destreman, Michel d'Ornano and Bertrand Denis, members of the Chamber of Deputies.

The writers began by looking into political and military aspects : 'In the history of the post-war period 1968 will no doubt come to be regarded as a dividing line - the end of one period and the beginning of another; only new ideas will enable us to face up to a new situation. . . . the dangers of the present situation should prompt Western European nations to close their ranks. A Council of Ministers should be set up at once - between the United Kingdom and the Six - to deal with defence; it would have authority to design and set up or deal with: a high command for working out plans, the training of troops, and their use in the event of a conflict and an armaments agency responsible for creating a common market for armaments in the European countries.'

With reference to the economic aspects of the European questions, they recalled the attitude that the Independent Republicans had previously adopted in favour of a European currency, beginning with a European reserves pool; this they felt could be achieved in the following stages: '(i) by pooling a proportion of currency reserves (ii) by creating an account unit geared to the least-devalued currency and which would gradually come into use for all financial operations and (iii) by merging the quotas of the Six in the International Monetary Fund.'

If the structure of industry in Europe were not to be modernized either by outside pressures or by the creation of domestic near-monopolies in industry, then Europe had - and the need was greater than ever - to set up its own monetary system; this would be bound to improve investment prospects in Europe.

With reference to Britain's application for membership of the European Community, they state: 'The more time goes by the more this application for membership appears in its true light: it is much more a political than an economic issue (...) Even the Community's agricultural system, as implemented so far, looks as though it will have to be changed; this will narrow, not broaden, the distance between Britain and the Community. Similarly, it became clear in 1968, especially during November's monetary crisis, the the growing strength of the German economy within the EEC was liable to raise a major political problem i.e. that of the Community's internal balance.

Britain's entry into the Common Market would solve this problem. The accession of the United Kingdom and the other applicant States would, of course, appreciably modify the Community: working together with ten or twelve is not the same as with six. This is not an obstacle but it is a real problem: the approach to solving it should consist in tightening up the Community procedure, on the one hand, and in recognition of the special rôle of the larger countries of Europe on the other. This applies particularly to defence where



the only nuclear powers in Europe, France and the United Kingdom, could lend each other mutual support for the greater good of Europe. This could be done at once and would be bound to facilitate a resumption of discussions on economic issues.'

The last chapter was devoted to educational problems; the group wondered whether the reforms of their university systems undertaken by various countries of Europe in an unco-ordinated manner would, in fact, provide a united Europe with the managerial and supervisory staff and other experts it needed both quantitatively and qualitatively. They wanted a 'kind of common market of brains' and suggested: '.... To begin with the French must speak foreign languages: with this end in view, the study of these languages should begin in the primary schools; at the same time, tuition in secondary schools should be brought up to date. At a later stage, every student should be able to spend a year in a foreign university and this should count towards the award of French university qualifications. This means that European universities will have to get together; in due course, university qualifications ought to be completely interchangeable.'

Meeting under the chairmanship of Mr. Giscard d'Estaing on 14 March 1969, the Executive Committee of the National Federation of Independent Republicans announced that it had joined the Action Committee for the United States of Europe; this is still known as the Monnet Committee; Britain's three main political parties, of course, joined it a few months ago. The communiqué published at the end of the meeting, when a new drive towards uniting Europe was urged, called for action to be taken, as follows:

- '1. The French and German Governments should take advantage of their meeting jointly to prepare a complete Europeanization of university education and teaching systems.
2. The governments of the Six should call a conference of their Finance Ministers in the spring, with a view to organizing a monetary union, without which the now-completed customs union will inevitably stand in jeopardy.
3. The States which launched the Common Market in Messina should call another conference there in 1970 and invite the United Kingdom to it, both to spell out what has been learnt from the first ten years of the Common Market and, with Great Britain, to analyze the stages leading to its accession to the European Economic Community.'

Apart from three abstentions, the Executive Committee was unanimously in favour of the Federation's joining the Action Committee for the United States of Europe.

On 23 March 1969, Mr. Giscard d'Estaing was in Brussels where he had talks with the senior officials of the European Commission. Later, he commented : 'Europe needs to be re-phased. For this purpose, the governments should organize another Messina conference at the highest level to consider the achievements of the Common Market and to decide on how negotiations with the United Kingdom could be initiated with a view to enlarging the Community and consolidating its institutions.'

In the world of today, it is within the framework of European institutions that our countries will best be able jointly to exercise their sovereignty and to safeguard the modern form of their independence. The states of Europe are not large enough to be independent on their own. This was clearly demonstrated by the recent monetary crises in which Europe has shown itself to be "monetarily dependent", even though the cumulative total of its reserves was greater than those held by the United States.'

Mr. Giscard d'Estaing said that Europeans could not ignore recent statements by President Nixon concerning their future. There was, indeed, a new factor because up to now every indication had been that the United States was not ready to accept the implications of an independent European policy.

What should be the objective at this new Messina conference? First of all, all the outstanding points concerning agriculture, industry and especially monetary affairs should be debated. He felt that the monetary system would be faced with a new series of difficulties at the end of 1969 or at the beginning of 1970. It was conceivable, he stressed, that the period of grace which the Six had would not be used to finalize the machinery for Community co-operation.

The memorandum recently put forward by Mr. Raymond Barre was a major contribution towards progress in this direction. Mr. Giscard d'Estaing said that the international reforms envisaged would compel the Six to devise a common line for their monetary decisions.

This 'summit' conference should also try to resolve the problem of Britain's entry into the Common Market. 'It is rather unrealistic to think in terms of a perpetual rejection of requests for accession.'

Curiously enough, Mr. Giscard d'Estaing considered that the first round of negotiations should be with the United Kingdom alone. (He recalled that this was the only country invited to the first Messina conference.) He said that the British case was the most difficult to deal with but was it possible to ignore the applications of Norway, Denmark and Ireland, even if this were no more than a matter of form? It should be added that Mr. Giscard d'Estaing was in no way negative in his attitude to the other applicant States. Once the outcome of the talks with the British were known, he felt that arrangements should be worked out whereby relations between these countries and the Community could best be organized.

(Le Monde, 6, 15, 26 March 1969; Réponses, 5 March 1969)

7. Agricultural policy is the main topic discussed at the CDU Farmers' Congress in Münster

Speaking at the opening meeting of the CDU Farmers' Congress in Münster on 7 March 1969, Mr. Höcherl, Federal Minister for Food, considered that the financial sacrifice, which European agricultural policy had so far called for, had not been accepted in the interests of German agriculture. They had rather to be treated as the price for the success achieved in integration so far.

Mr. Höcherl left no doubt in anyone's minds about his unreserved support for European integration; he said, however, that the political contribution to European integration which was assumed with the common organization of the agricultural markets did not relieve the Federal Government from its obligation to give German farming a safe measure of financial latitude. It would be irresponsible to respond to the pressure of increasing expenditure under EEC market regulations by making even more cuts in the resources available for the national agricultural policy.

Mr. Höcherl felt action had to be taken on price policy and that this need would remain as long as demand went on producing increases in prices; but, he thought, no price reduction could be envisaged with respect to such 'surplus' productions as milk, sugar and cereals because, in Germany, the

policy on agricultural prices was closely bound up with incomes policy; in France, on the other hand, slimmer market outlets would be offset by social subsidies.

Mr. Höcherl again rejected the Mansholt memorandum as an illusion. At the next meeting in Brussels the Federal Government would, he stressed, make no price concessions. In the context of the EEC market regulations, prices could hardly serve a fiscal function. What had been neglected in this dispensation was to set the intervention price at the equilibrium price level. This had been the fundamental mistake of the market planners in Brussels.

Mr. Heck, Secretary-General of the CDU, stressed that the uncertainty surrounding the existence of many farming businesses was due less to any one-sided assessment of agriculture than to the fact that the scale of agricultural development had not been fully grasped.

Setting cereal prices in accounting units had narrowed the chances for monetary policy; the implications for the economy as a whole could not yet be assessed. The same was true of the financing of the common agricultural policy. Both therefore had to be reviewed. This point, made by Professor Dams, Director of the Institute for Development Policy of the University of Freiburg, was one of the main economic policy statements made at the Farmers' Congress whose main feature was a concern to find ways of finally integrating agriculture in the economy as a whole.

Professor Dams's criticism of the Mansholt memorandum attracted great attention. He pointed out that the European Commission had not completely fulfilled the mandate it had been given regarding structural policy. The possibilities of co-ordinating the policy on farm structures had not been taken advantage of. The first report on farm structures was, furthermore, completely worthless. With regard to the Guidance Fund, there was no reasonable relationship between administrative expenditure and results. Hence the technical and institutional requirements for implementing the EEC memorandum did not obtain. He opposed any comprehensive structural policy for all the EEC. Concurrent regional programmes would be more effective. The chances for the industrialization of economically backward areas would increase appreciably from 1975 onwards.

Mr. Stamer, the agronomist from Kiel, advocated cutting the intervention price for butter by 1.50 to 5.40 DM per kilo and a cautious increase in price for powder milk, cheese and milk protein. The use of liquid skimmed milk for fodder should be subsidized. He was emphatically in favour of the tax

on fats which the EEC was endeavouring to introduce, as a result of which margarine would increase in price by around 20 per cent.

Chancellor Kiesinger said that an attempt should be made to improve the agricultural situation as medium-term financial planning took its course. Speaking to around 2,000 people at the closing rally of the CDU Farmers' Congress, he stressed that the limited financial means available made careful planning imperative.

Unless there was a clear list of expenditure priorities, in the form of medium-term financial planning, no plan would be more than a bone fought over by different interest groups. He completely endorsed Mr. Höcherl's criticism of the Mansholt memorandum.

Despite the surpluses in some agricultural productions, the CDU Farmers felt that an active price policy had to remain the backbone of any forward-looking agricultural policy. The new price strategy of the European Commission designed to 'freeze' farm prices or gradually to reduce them was not acceptable. This was one of the most important points to emerge from the Congress.

Only cost-effective prices could ensure adequate capital formation without which it would be impossible to keep up-to-date.

The European Commission proposals would not deal with the problem of surpluses; they were liable to make the farmers try to offset the losses of income by increased production. With respect to cereals, it was hoped that there would be an increase in fodder cereal prices which would bring about a shift in production from soft wheat to fodder cereals. The milk problem could be solved through a combination of measures. The introduction of quotas and a financial charge on surplus production were recommended as a 'last exit'. But variations from one country to another would have to be allowed for.

(Die Welt, 8 and 10 March 1969;  
Handelsblatt, 10 March 1969;  
Frankfurter Allgemeine Zeitung, 11 March 1969)

8. An article by Mr. Pierre Uri in 'Le Monde' entitled 'A suggestion to Britain'

'If I were the British Government and wished to be admitted to Europe I should not have asked that the WEU Council be convened. This is an organization in the traditional international mould where decisions are taken unanimously; it is the exact opposite of common institutions which alone can enable a community to operate.

I would not have publicized a conversation between an ambassador and a head of State; this is the kind of manoeuvre which conflicts with the new approach on which Europe must be based : an attempt to deal with the problems of each country as common problems.

But Her Majesty's Government might give more publicity to economic developments and adopt such firm political stances that they would be difficult to brush aside.'

Mr. Pierre Uri outlined these economic developments: 'The United Kingdom has taken the following major decision (i) to withdraw from the East of Suez and thus (ii) correspondingly to improve its balance of payments; (iii) vigorously to reorganize British industry by dint of ingenious fiscal measures and (iv) to revise its cheap foodstuffs policy.' Under these conditions, it was hard to imagine a financial market without London, European technology without British science and research or a European currency without the pound. Under these conditions, too, the United Kingdom should state quite clearly that it did not seek any special position in the Common Market but accepted the Treaty of Rome as it was.

As an additional gesture of goodwill it could make its nuclear strike force available to the Community and sever its 'special relations' with the USA; this had in any case practically been accomplished already.

The United Kingdom had in a sense to endorse and adopt the theme of the European Europe which was the battle-cry of the Gaullists. There should, however, be no illusions here because Mr. Pierre Uri considered that there was no country in the Europe of today which was pursuing any real foreign policy: the essence of foreign policy was the right to war or to peace. There was, of course, still the problem of frontiers: the Oder-Neisse Line, for example, which could be a ground for disagreement as between their foreign policies. But this was the only major foreign policy issue on which they

were divided. As for the rest, the political union had, in the nature of things, to come about and need not necessarily flow on from economic integration.

It was, however, hard to imagine two communities - one political and the other economic - that could co-exist or to see how the United Kingdom could restrict its activities to political offensives (such as the WEU affair) without taking any interest in the economic aspect of the Communities.

To break the present deadlock, the United Kingdom had to give greater publicity to its strong points and to its resolve to become an integrated part of Europe.'

(Le Monde, 14 March 1969)

#### 9. Britain in Europe - a speech by Lord Chalfont

On 24 March, at the Maison de la Mutualité in Brussels, Mr. John Beith, British Ambassador, read a speech by Lord Chalfont, Minister of State at the Foreign and Commonwealth Office, in which the latter declared:

'....Her Majesty's Government has made it quite clear that our reasons for applying for membership of the European Communities are mainly political. It would be foolish to believe, and most people are now agreed on this, that any State in Western Europe can, on its own, have any real influence in world affairs. The only influence that a State of 50 million people can hope to exercise is a negative one which may temporarily hold up events which will, in any case, take place sooner or later. It is only by uniting that Europe, and this we must, at least for the present, take to mean Western Europe, can hope to remain master of its fate and control events instead of being able to do no more than react when they occur. When I speak of events, I am thinking particularly of the Soviet invasion of Czechoslovakia, the present difficulties in the Middle East and the inexorable ascent of China to the rank of a first class power. Each of these factors must, in different ways, affect the future of every European State....

Her Majesty's Government has constantly stressed that we regard the existing Communities as the best basis from which the work towards European unity in the fields of defence and political affairs, as well as with regard to the economic union, can be developed. It would be an act of folly to reject

what the European Communities have achieved, which is the result of ten years' hard work, to start from nothing on another course. This is why we have firmly upheld our application to be admitted to the Common Market as a full member, and we shall continue to uphold it.'

(United Kingdom Delegation to the European Communities)

10. Mr. Hougardy feels that Belgium should take the initiative in Europe

In the editorial of a Belgian newspaper, Mr. N. Hougardy (Liberal), a member of the Belgian Senate and of the European Parliament, quoted several reasons for feeling discouraged in the cause of uniting Europe: 'Nothing is more damaging to the Community spirit and the enthusiasm which it should engender than secret bilateral talks between France and Germany or three-way talks between the Netherlands, the United Kingdom and Germany about the construction of an isotope-separation plant on which, as everyone knows, Europe's independence in regard to energy supplies depends. Nor is there anything more disturbing or at odds with the spirit of the Community than the private conversations between General de Gaulle and Mr. Soames or meetings of the Western European Union where five Community countries have talks with the United Kingdom in the absence of France.'

To all these recent events we have to add the veto procedure which the member States are using too readily and with too little forethought.

This procedure precludes any chance of progress in enlarging the Community; it prevents negotiations going on with one central European State; and it hampers discussions about the creation of a European-type company at a time when banking and commercial companies have to be created on a European scale.

If Europe is to take on its true meaning and yield the maximum benefits for all and if the aims envisioned at its creation are to be attained, it is no use seeking to impose limits on Europe or to hold its ambitions in check.



It is because no one now knows if these goals will be attained that the European idea is now marking time, as it were, and this could adversely affect our financial balance and our economic and social expansion.'

Mr. Hougardy then gave several examples to show that Europe was going through a serious crisis. He thought that the initiative should be taken before the end of the interim period under the Treaty of Rome. This was why he suggested that the Belgian Government should propose a summit conference of the member States at which Mr. Jean Rey, President of the Commission, should take part.

'The purpose of this meeting should be to eliminate the disagreements in the Community so that we may move on from the customs union to the economic union. We must at all costs see to it that certain countries do not regress at regular intervals to the financial and commercial protectionism which we are at present experiencing.

This conference of the Ministers of the Six would be beneficial to Belgium because it would show some of our political leaders, at least I hope so, that this is no time for a narrow-minded regional policy when our industries are faced with the challenge of integrating in the European area; this would deprive our country of the benefit it could derive from a large economic and financial grouping.'

(Le Soir, 30-31 March 1969)

11. Dr. Kreisky, Chairman of the Austrian Socialist Party, puts the case for a large free trade area

Dr. Kreisky, Chairman of the Austrian Socialist Party and former Foreign Minister, was not content to condemn President de Gaulle whose adamant attitude had reduced European co-operation to the point of stagnation. On 31 March 1969, at the 10th session of the Socialist International he went even further: 'For us Socialists and for all good Europeans, all the conditions for Europe to co-operate successfully do obtain and yet the best years go by only because General de Gaulle's obstinacy is paralyzing this development'; Dr. Kreisky summed it up in the phrase: 'The intransigence of an old man wishing to hold back a great forward movement.'

Dr. Kreisky then referred to the recent proposal of General de Gaulle to set up a great European free trade area. He felt it should be quite clear that such a free trade area should under no circumstances be used to jeopardize the EEC. It would be rather like the outer circle of the EEC. In fact, this larger trade grouping would give an opportunity for negotiations to any State that wished to have closer relations with the EEC. In this connexion there were already a whole series of proposed solutions. It was, therefore, necessary to hold appropriate talks on the implementation of the project in a context not fraught with prestige considerations. The difficulties involved in such talks would not be greater than those experienced with other problems which had all been satisfactorily dealt with.

Dr. Kreisky's proposal had to be seen in relation to the special situation in which Austria found itself in its desire to come to an economic arrangement with the EEC. Since Austria could not become a member of the EEC because of its perpetual neutrality and since its special wishes were always being fed with hope, the implementation of a solution such as proposed by Dr. Kreisky, had the advantage that it would eliminate the discriminatory effect of the EEC on Austria's export economy which, in recent years, had suffered considerable losses on the EEC markets in relation to the overall increase in the volume of its trade. Lastly, it should not be forgotten that such a flexible solution, in which all competitors concerned would be free to adjust their relations with the EEC, would be easier to apply in certain cases.

(Industriekurier, 3 April 1969)

### III. ORGANIZATIONS AND GROUPINGS

#### 1. Federation of German Industry warns of the danger of offering unfair attractions to firms in the EEC: statement of views on regional policy

Regional policy in the Community has recently taken a turn which has caused great concern in industry and among the local authorities. It is feared that the different and currently increasing assistance awards and the cumulation of various forms of help could lead to competition between the member States on regional policy; this could in the long run seriously threaten the attainment of the objectives set out in the Rome Treaty. In particular, the cumulation of promotion measures often has an adverse effect on economic expansion in other member States; this distorts the local conditions because it disregards economic considerations.

The Federation and the leading local authority associations - the German Local Community Conference, the German Land Conference and the German Cities Union - had therefore proposed various measures to co-ordinate and unify the regional promotion programme of the member States; it did this in a memorandum on freedom of establishment and the limitation of regional assistance which it submitted to the European Commission on 23 January 1969. It called on the General Directorate responsible for regional policy and competition to take the necessary precautions to ensure that an agreed procedure was followed and preclude any further escalation in regional development measures. These should only be given in the form of initial help and should never assume the character of permanent subsidies. Theoretically they should serve to level out local disadvantages and to build up the infra-structures in the development regions where these were inadequate. This also involved helping viable firms which would in the long run become competitive. Similarly, there should be help for local enterprises to enable them to rationalize, redevelop or adjust to changing economic and competitive conditions.

These measures should not only serve to help regions where there was an abnormally low standard of living or where there was a high level of unemployment but also to help areas which were relatively backward economically.

Similarly, the establishment of industries should only be promoted in key development places; specifying which these were had to remain a matter for the individual member States. It was only by concentrating industry

in specific key points that the existing infrastructure and local facilities could be used to the best advantage.

To ensure the prosperous and smooth development of the Common Market, they advocated consultations on the regional development programmes of the member States. This would involve co-ordinating development programmes and bringing the development measures into line with those of other member States, particularly in frontier regions, to prevent any escalation of unilateral assistance and, inter alia, to avoid offering unfair attractions to industrial enterprises. The Commission should ascertain whether, and if so in what way, a limitation of the various forms of State assistance was necessary and appropriate.

Lastly they wished to give a permanent character to the procedure so far followed of getting agreement between the Commission and the member States about individual development programmes.

(Industriekurier, 25 January 1969;  
Frankfurter Allgemeine Zeitung, 24 January 1969)

2. Mr. Blessing, President of the Federal Bank, defends the Bretton Woods system

On the occasion of the 100th Anniversary of the Oldenburg Land Bank on 24 January 1969, Mr. Blessing, President of the Federal Bank, said that the Bretton Woods system was not responsible for the difficulties in international monetary affairs; these were due to a lack of co-ordination and in particular to the differing objectives in the economic, social and financial policies of individual States.

The Bretton Woods system, which had led to freer world trade and currency convertibility, had on the contrary led to an enormous increase of prosperity as a result of expanding world trade. Recent monetary crises were not due to the monetary system but had their origin in the lack of monetary discipline in important States. The USA, whose currency was also a reserve currency, had recently become a factor for unrest because the USA allowed a lasting deficit in its balance of payments; this had led to an excess supply of dollars in the world. It could only be hoped, he said, that the recently enacted fiscal and credit policy measures would be successful and arrest the inflationary trends in the USA. It was also to be hoped that the other major industrial States would get better at co-ordinating their economic policy objec-

tives than they had in the past; here, of course, a steady rate of growth at stable prices was something to be strived for.

There had recently been a good deal of discussion about the need to revise the international parity rates but it had to be remembered that changes of parity were difficult and were only acceptable when there was no other way out of a difficult situation. In the event of a simultaneous revision of several parities, these could be coupled with a clear agreement to exercise monetary discipline in future. It was pointless to revise parities when, by the same token, inflation was started off again.

He advised against any major monetary conference in which the present difficulties should be discussed and cleared up. Such a large-scale conference would inevitably lead to a new wave of speculation. 'The difficulties with which we are faced can only be discussed and resolved by those directly involved and, hence, with the least possible publicity. In any event, a failure which is always possible, could have unforeseeable consequences.'

It would be difficult in the long run to maintain an international system with fixed rates of exchange if there were varying developments in price and costs structures in the major States. There was only one choice: either to have a stable rate of exchange with the adjustments needed or no adjustment and fluctuating rates. Mr. Blessing said that he was in favour of a system of stable rates of exchange because, from any point of view, this served the interests of international trade and currency flows best.

Similarly, fluctuating rates of exchange within the EEC were in practice no longer possible, mainly because of the agricultural integration. Only the EEC as a unit could have fluctuating rates vis-à-vis the rest of the world. But with what currency should the unit thus composed operate on the currency markets? In his view all the countries should jointly prevent a system of fluctuating exchange rates but at the same time all the major States had to exercise a measure of monetary discipline; this was necessary to maintain a system of stable rates of exchange while at the same time avoiding 'dirigiste' measures. 'We must have a greater respect for the principles which were current at the time of the gold standard even though these are not easy to apply and are regarded by many as old-fashioned. It is much more a question of will and decision than it is of currency techniques,' explained Mr. Blessing.

(Handelsblatt, 27 January 1969)

3. The Dutch Trade Unions on Spain and the EEC

The Central Committee of three trade union organizations in the Netherlands has written to the Council of Ministers and to the Spanish Ambassador to press the point that there should be no form of contact between Spain and the EEC until such time as a democratic dispensation is established in Spain.

This letter also embodies the protest of the International Union of Trade Union Organizations and the World Labour Union against the declaration of the state of emergency in Spain.

(Nieuwe Rotterdamse Courant, 22 February 1969)

4. Statement about Community policy by the German Chamber of Commerce and Industry (GCCl)

The German Chamber of Commerce and Industry called for a sustained drive towards economic union on the part of the EEC States and regretted that the EEC was still moving only as fast as the least willing member. In this connexion the removal of fiscal frontiers assumed special importance.

The GCCl published its annual report on 25 February 1969; in this it was argued that a greater measure of fiscal harmonization would allow for simultaneous progress with an agreed fiscal and budgetary policy; the need for this had been proved once again by the events touched off by the French franc. From this point of view, the second programme for the medium-term economic policy of the Community was indeed gratifying but it was only a modest start because of its lack of feasibility. If the economic policies of the Six could only be dovetailed, the practical requirements for a common monetary policy would be fulfilled.

The GCCl described the European Commission's proposed guidelines for approximating customs legislation as unsatisfactory. A common policy vis-à-vis the East European States was advocated because this would pave the way for a common policy for the rest of the Community's trade and its implications would range as far as the policies for structures and external affairs.

The report also warned against a return to the 'incapsulation process'. This would endanger European integration and international free trade. The world's economy could not be restored to a state of balance by any unilateral manipulation of taxes or by 'dirigiste' measures. Only by bringing the Communities on at a much faster pace and bringing in the States willing to join, would there be an alternative to the present stalemate.

'Agriculture remains the problem child of the Community although this was in theory dealt with when the agricultural union came into being at the same time as the customs union on 1 July 1968.' This statement was made in the '1968 report' submitted to the annual general meeting of the German Chamber of Commerce and Industry on 26 February.

In fact not all the agricultural markets were unified on that date; for example there were still no regulations on trade with third countries in the fruit and vegetable sector even though this was very important in the context of German imports.

The problems attendant on trade in agricultural products with countries outside the Community such as Greece and Turkey had not yet been resolved.

The intention was to introduce regulations for product markets such as those for sheep, tobacco, potatoes, flax, etc. along the usual lines of threshold, guidance and intervention prices.

The report stated that in view of all this, it was to be feared that the implementation of such plans would further prejudice imports from third countries and result in additional burdens for the public exchequer.

As it was, the way the common agricultural market was financed called for increasing amounts of money every year. Whereas in 1962-1963 the Community had to provide DM 151m for the Agricultural Fund, the costs had risen annually as a result of the further organization of the agricultural market in the form of price and intervention measures. Official German estimates were that the figures for 1969-1970 would be over DM 12,000m.

In the section on 'technology and agriculture' it was strongly argued that there should be a fundamentally new approach to agricultural policy and that the recently published Mansholt plan provided a useful basis for discussions on this subject.

(VWD-Europa-Nachrichten, 25 February 1969)

5. The Dutch Management Unions discuss protectionism

The Council of the Dutch management unions warned the Dutch members of the European Parliament against the renascence of protectionism in the United States and in the EEC. The Council said it was liable to become more pronounced if the proposed EEC tax on oils and fats, as articulated in the European Commission memorandum on agriculture in the Community, were accepted. There had, for some time, been an Emergency Committee for American Trade in the United States which was resisting the definite, strong protectionist trends in and around the American Congress. The Committee had asked the support of European business in its endeavour to prevent any spread of protectionism in international trade.

The proposed Community tax on oils and fats which would affect imports from the USA to a value of more than 500 million dollars was grist to the mill of the protectionist pressure groups in the USA. The list of counter-measures announced would, inter alia, affect the following Dutch products - whose export value is around \$ 149.2m - cattle and meat, oils and fats, diamonds, steel products, typewriters, electric cutting apparatus, electrodes, tape recorders and radio valves.

For the other member States, similar retaliatory measures listed would involve an amount of around \$ 2,000m for the Community as a whole.

The Council felt that the possibility of a Community tax on oils and fats could trigger off similar counter-measures in the USA. The consequences for the Netherlands could be serious, regardless of the actual trade in goods. It found it regrettable moreover that the exports of many developing countries would be threatened by a levy on the taxes on oils and fats in Europe. The management unions therefore ask the Dutch members of the European Parliament to pay close attention to these considerations in their analysis of the agricultural regulations.

(Handels & Transport Courant, 8 and 10 March 1969)

6. The Dutch road transport organizations address a letter to the Government and to the Second Chamber

In view of the difficulties they are encountering in the pursuit of their business, three Dutch road transport organizations wrote a letter to the Secretary of State for Financial Affairs.



The three organizations were the 'Organisaties van het beroeps-goederenvervoer over de weg', the 'Koninklijke Nederlandse Vereniging van Transport Ondernemingen' (Road Haulage Contractors' organizations) and the 'Organisatie van eigen vervoerders en verladers' (Organization of own-account transport operators and forwarding agents).

The main reason for this situation was the steadily rising taxation borne by road transport to and from points outside the Netherlands. An enquiry made in 1963 showed that the tax on foreign transport was between 23 and 33 per cent. The organizations believed that it was at present between 28 and 37 per cent. They noted that neither in the Netherlands nor abroad had any of the regulations which were prejudicial to them been either abolished or made more moderate. The only new regulations which had come into force had led to heavier financial burdens for the Dutch road hauliers. These charges, furthermore, were liable to be increased still further.

In their letter, the transport organizations urged that all possible measures be taken to ease the tax burden and contain any increase in road transport taxation within reasonable limits. One serious complaint was double taxation. Although they already paid the vehicle tax in the Netherlands - and for diesel lorries this was 3.55 times greater than that on petrol engine vehicles - Dutch hauliers had also to pay a similar tax in some other countries. This was the case in Italy and it was liable to be the case in France too. In West Germany a special tax on lorries was introduced on 1 January 1969 (Beförderungsteuer).

Up until 1 November 1968, Dutch road hauliers heavily engaged on trips abroad could get a partial rebate of the Dutch tax on motor vehicles. In view of its Community commitments, however, the Government had had to abolish this, with respect to transport in and through the member States. Hence, the chances of offsetting the double taxation paid by road hauliers had, in fact, been reduced to nothing. The situation had been further aggravated by a measure enacted in France and Germany, whereby transport entering these countries was liable to a tax on the fuel in the tank; only 50 litres would be allowed duty-free. This was actually another form of double taxation. Indeed, apart from the tax charged by Germany and France on fuel in the tanks, there was, under Dutch tax law, a 255 per cent surtax on diesel engines.

The organizations concerned also pointed out that, whereas the Dutch Government was envisaging higher taxes on fuels and motor vehicles, other countries were decreasing the taxation paid by transport contractors established on their territories. Belgium had decided to reduce the tax on vehicles by 40 per cent in the case of enterprises operating with three or more vehicles; France was reducing the axle tax (which is comparable to the Dutch tax on motor vehicles) in respect of vehicles used abroad and incurring thereby

local taxes. The organizations pointed out that Dutch firms were justifiably afraid that their position might steadily deteriorate on the international transport market because of the high cost and, in particular, the high taxes; only within their own operating sphere could they contend with this problem. Transport was important to the whole Dutch economy and its chances were being seriously jeopardized.

(Handels & Transport Courant, 12 March 1969;  
'Beroepsvervoer', 21 March 1969)

## 7. The Belgian Christian Trade Unions and European integration

Mr. Jef Houthuys, President of the General Confederation of Christian Trade Unions, gave an interview to a Belgian newspaper; he favoured forging ahead with European integration and on to a political Europe. On social policy, he said: 'Studies have already been made but social harmonization is slow in taking its course; of more practical import has been the realization of the free movement of workers, concerning which we are all agreed, and an agreement is to be concluded on social security so that the workers from the various countries will either enjoy the same benefits within the EEC or those they would normally enjoy in their own countries.'

Yet we should like to go further: a first requirement is to secure the possibility of having worth while negotiations at the European level; this could be done by setting up joint committees at both the professional and inter-professional levels. We must thus pursue other courses than that of straightforward harmonization.'

The President of the General Confederation of Christian Trade Unions complained about how slowly the Council of Ministers was dealing with social affairs. He said he was disappointed that the tripartite conference on employment had still not taken place:

'We had talks in Luxembourg on 7 and 8 March with the responsible bodies of the Christian International Labour Union and the Socialist International Federation of Free Trade Union Movements; it was noted that there is a real divergence of view. We argued that if the French and Italian Governments decide to recognize the CGT and the CGIL as social organizations, we shall be unable to stop them. We should like to put this to the test and find out if they really wish to co-operate or if they desire also to pursue negative aims.'

The Socialist International Federation of Free Trade Unions is also experiencing internal dissension. A minority wishes to accept the reality that the trade unions exist so that they may be recognized by their governments. A majority is against such an experiment but this does not represent a final view and will certainly be discussed further.

Mr. Houthuys then spoke about organizing the trade unions at the European level: 'After the meetings in Luxembourg, a joint communiqué was issued by the CILU and the SIFFTUM containing highly practical proposals and, with reference to merging the Treaties, I am tempted to feel optimistic. As a result of talks, European trade unions have, in any case, moved closer together and they are indeed resolved to hold regular consultations with each other. This is at all events hopeful. Yet it must be noted that neither the CILU nor the SIFFTUM has been a thorough-going European organization. Even in the trade union movement, it is still nationalism which tips the scale. I wonder to what extent we, as Belgian trade unions, are ready to pay the price of our independence and authority so as to form a stronger organization at the European level? In this respect we have not progressed far enough and are lagging behind the managerial and professional organizations.

As a result of mergers and amalgamations at the European level, our national strength is growing steadily weaker; we are thinking of the strikes at Ford-Ghent and recently at Ford-England.

With reference to agricultural problems, Mr. Houthuys stated: 'The Mansholt plan does not concern agriculture alone but involves the whole question of Europe. It involves employment and finance and in this we should be able to express our views. There is a danger in seeking to split up problems and deal with them individually. There are aspects of this question about which we must be consulted.'

(De Standaard, 21 March 1969)

8. The Annual General Meeting of the German Council of the European Movement calls on the Federal Government to abandon its reserved attitude on European policy

The German Council of the European Movement held its Annual General Meeting on 20 March 1969. It passed a resolution calling on the Federal Government clearly to draw the line between its own position and that of France on European policy and to agree on consultations on the WEU between

Governments which are ready to enter into them. The Federal Government ought, furthermore, to abandon its reserved attitude on the European Council of Ministers and make new proposals for Community solutions.

In this connexion, the German Council of the European Movement advocated (i) that Germany should devise its own proposals for a common approach on trade with the East, (ii) integrating German transport policy more closely with that of the Community, and (iii) greater efforts to strengthen the Executive authority of the Commission. The Council regarded the Mansholt plan as a basic memorandum for refashioning the structure of agriculture; Germany ought to make constructive proposals to widen the scope of his plan.

The Council's AGM unanimously re-elected Mr. Ernst Majonica, the CDU MP to the office of President; Mr. Gerhard Jahn, Parliamentary Secretary of State at the Foreign Office, told the AGM that if France submitted proposals for changing the existing institutions along the lines indicated to Mr. Soames, the British diplomat, the Federal Government would not reject the idea of talks. 'We should not regard integration in its present form as a holy cow', he said.

In reply to Mr. George Brown's proposal that new forms of political co-operation should be devised, Mr. Jahn, in turn, asked: 'To what extent is there really any willingness to abandon national sovereignty? What happens if this is not operative? New organizations are no substitute for a lack of political agreement.'

The Federal Government had in mind to progress with European policy mainly along bilateral, multilateral and pragmatic rather than institutional lines. If the approach were to be more inflexible, this could lead to a serious clash of views with France. The Federal Government therefore advocated that the first step should be prior consultations on the WEU. 'If this does not work, it will at least be possible to see the picture more clearly', he said. It was wrong to believe that the difficulties over consultations were all on the French side.

Referring clearly to the British Government, Mr. Jahn said that no agreement had been possible, prior to the current WEU crisis, on any humanitarian gesture regarding the Nigerian question.

Mr. Jahn felt that Germany's scope in negotiations on European policy reached its limit at the point where the integration principle was

challenged and where it had to give way to inter-governmental co-operation:  
'At that point, we stand with our backs to the wall.'

(Frankfurter Allgemeine Zeitung, 22 March 1969)



## DEVELOPMENT OF EUROPEAN INTEGRATION

### at the Community and International level

#### I. COMMUNITY INSTITUTIONS

##### 1. Mr. Jean Rey, President of the European Commission, inveighs against apathy about Europe

Speaking in Dusseldorf on 21 January 1969, at the Annual General Meeting of the Working Party on the Redevelopment of North-Rhine Westphalia, Mr. Jean Rey came out strongly against the apathy prevailing over Europe because it had a dangerous, inbuilt, paralyzing effect.

When the customs union was completed there had to be a common economic policy in the EEC. The main tasks were (i) to remove the technical and legal obstacles to trade and (ii) fiscal harmonization within the Community. The basis for a rational industrial policy was to create a unified company law framework; here he was thinking mainly of the European-type company. This would include maintaining effective competition and completing the realization of freedom of establishment and the freedom to supply services.

Mr. Rey took issue with the obstacles which had so far precluded any common policy for research; he was referring particularly here to the difficulties of Euratom. The member States had once and for all to free themselves from their shadows. To secure the currencies of the Community and monetary solidarity between the member States, a series of common measures was necessary beginning with the finalization of an effective procedure for overcoming balance-of-payments problems and including the application of stable rates of exchange for intra-Community trade. Mr. Rey said he was in favour of eliminating the daily fluctuations in these rates and of establishing fixed parities between the member States. There had to be early agreement in the Community on the immediate objective of such an integration process. Monetary policy integration had also to take in progress towards a common external currency policy.

With regard to enlarging the Community, Mr. Rey said that the Commission stood by what it had said in favour of immediate negotiations with the applicant States.

As regards whether a European preference area should be created, Mr. Rey again explained that such a plan would be hard to reconcile with GATT regulations unless it were coupled with subsequent accession to the Community. Trade policy arrangements with the applicant States were thus only feasible if they were presented as the first stage towards subsequent accession.

Mr. Rey then took up the cause of the powers of decision of the European institutions, without which the Community could not operate. The function of the Commission as a non-aligned body, as the dynamo of development and as the watch dog of the application of the EEC Treaty should not be weakened in any way. He also took issue with the fact that key questions could only be decided by the EEC Council of Ministers on a basis of unanimity. The right of veto should not be held up as a principle in the Community. The Commission continued to believe that the powers of the European Parliament should be enlarged because powers of decision gave opportunities to exercise control.

(Handelsblatt, 24-25 January 1969)

2. Mr. Mansholt defends his agricultural programme at the 'Green Week' in Berlin

Speaking at the 'Green Week' in Berlin on 2 February 1969, Mr. Sicco Mansholt vigorously defended the European Commission's design for agriculture. He made it quite clear he was willing to hold practical discussions and repeatedly offered to do so. He called upon his critics to submit alternatives.

The position of the farmers was only hopeless if one ignored the shocking reality and if one failed to take the political consequences. Practical decisions rather than fine words were needed now and these had to be politically and economically feasible. The European Commission would welcome proposals that were technically better. It did take exception, however, when its programme was reduced to a caricature so that people could more easily shoot it down. It was in these terms that he endeavoured to clear the ground of precipitate and unqualified criticism.

Mr. Mansholt's speech was a milestone in the development of the agricultural policy thinking of the Federal Republic. The almost unanimous agreement and the assent of the general public especially the young farmers, was to cause the German Farmers Union to review its attitude to the Memo-



randum. The members of the German Farmers Union were shocked that the executive stayed away, under the pretext of a session deadline, when Mr. Mansholt was giving his explanations.

Mr. Mansholt justified the need for a change in European agricultural policy by referring to the hopeless expenditure of thousands of millions to support farm incomes through agricultural prices. If there were growing production surpluses, further price increases would be impossible. An increase in productivity no longer led to any improvement in incomes. Ever fewer people were producing ever more agricultural products.

Mr. Mansholt considered that France made the greatest use of the common agricultural fund. The Federal Republic, however, had a large measure of responsibility for the growing agricultural surpluses because it had been one of the strongest advocates of high prices for milk, cereals and sugar. Mr. Mansholt openly recognized that the political community was unconditionally dependent on the financial solidarity of the member States as regards agricultural policy.

He said that the Federal Government should have taken a stronger line with regard to the political community in recent years. 'I hope that the Federal Government will, in future, promote the political community more vigorously in the way Italy has done and that it will do so with the United Kingdom and the Scandinavian countries. To build a political community of the Five (without France) with the United Kingdom without calling the Economic Community into question is something I should openly advocate.

Every ten years five million farmers leave agriculture in the EEC, he said. By 1985, the real incomes in industry will double. Farm incomes which are already lower would have, by that date, to triple. Fine words would not prevent the creation of a new, agricultural, proletariat. The expenditure of 9,000m marks every year to support farm prices in the EEC was liable to double soon and break all bounds without improving the lot of the farmer. 'That is squandered money.' In future it would be better to spend on social and structural measures for farmers who had no chance left on their farms.

The aim of the agricultural programme was to see that no more unprofitable business came into being and to spend taxation money solely in pursuit of economically and socially sound aims. For this purpose, unfortunately, practical criteria had to be laid down on the minimum size of rational and viable businesses. It was no use talking about the link between the farmer and the land when one knew very well that this link was, for countless wretched lives, only due to the lack of any alternative. The farming life was not an end in itself but a way of possibilitating an acceptable way of life. If businesses could not be appropriately changed then people had to be given a better choice.

The aim of the EEC proposals was to make it easier for the five million farmers who would give up agriculture in the next ten years and to help others to expand their businesses to a viable size.

In contrast to what was claimed by the German Farmers Union the programme was not designed to limit freedom, independence or property. The farmers leaving the land could retain ownership and the EEC would lend them capital to find a new independent existence. Other redevelopment possibilities would include grants for the occupational training of children. Farmers of over fifty five years of age (2,800,000 in the next decade) would receive pensions. The establishment of industries in the regions should spare 2,200,000 farmers who wished to change their jobs from leaving the area.

Mr. Mansholt told journalists that agricultural expenditure today amounted to 4% of the State budget; by 1973 it would be 5.4%; by 1980 it had to be brought back to 2%. A new apportionment key would be decided upon in 1970 for the contributions of the member States to the EEC's agricultural budget. In future structural measures would be financed to the extent of 50% by the Community and 50% by the countries concerned.

(Die Welt, 3 February 1969;  
Frankfurter Allgemeine Zeitung, 3 February 1969)

3. Mr. Mansholt calls for supranational parties to be set up

Addressing a European farmers' congress organized in Amsterdam on 13 February by the Dr. Wiardi Beckman Foundation, Dr. Sicco Mansholt, Vice-President of the European Commission, called upon the Social Democrats to create supranational parties so as to be in a position to match the business power groups for whom frontiers were not those of the nation states. Other progressive elements should be able to join in this action.

A large part of his speech was taken up with his plans for improving the structure of European farming. The chances of these plans being implemented depended primarily, he argued, on developments in the Labour Party in the Netherlands and in Social Democracy in Europe.

Drs. Den Uyl, Chairman of the Labour Party in the Second Chamber, and Mr. Vredeling, a member of the European Parliament, reacted favourably to this appeal.

Mr. Vredeling said that following on from Dr. Mansholt's argument, a European political party ought to be formed as soon as possible through what he called a European progressive party.

Drs. Den Uyl argued that there had to be a progressive European party because it was only in this way that the special interests involved could be made subordinate to the European interest and the only way in which the European industrialists and farmers could be integrated within a world-wide union. Drs. Boersma (Anti-revolutionary Party and a member of the European Parliament) also reacted favourably. Europe would soon become a reality, he argued, as long as there was a European Parliament and a European Cabinet.

(Nieuwe Rotterdamse Courant, 13 and 14 February 1969)

4. Mr. Jean Rey, President of the European Commission, discusses Austria's relations with the EEC

When he visited Vienna on 21 March 1969, Mr. Jean Rey, President of the European Commission, referred to the possibilities for an early resumption of direct negotiations between Austria and the EEC with a view to 'a special arrangement' for that country. This indication was given in an address on European integration which President Rey gave in Vienna University at the invitation of the Foreign Policy Society.

Mr. Rey said that the Commission had endeavoured to induce every member of the Community that sought to veto developments to adopt a more reasonable approach. These endeavours had recently included a thorough discussion with Mr. Nenni, Italian Foreign Minister, from which Mr. Rey had gained the impression that the time might soon come when direct discussions between the Commission and Austria might be resumed. In talks with the Editor of Die Presse, the Vienna daily, Mr. Rey said that although one could not say precisely what 'soon' meant, it was his impression that a lot of progress had been made towards a solution.

Mr. Rey himself would not be drawn into comment on the connexion between the Italian veto on Austria's negotiations with the EEC and progress on the South Tyrol issue but he did stress that the trade arrangement put forward by France was being considered as a kind of interim solution. No one in Brussels, however, knew what form this arrangement might actually take.

Waiting around was not advisable; the bilateral talks between Austria and the EEC should be resumed where they had been broken off.

On the other hand he stressed both in his address and in the talks referred to that the Austrian Government was in no way responsible for the suspension of the bilateral negotiations with Brussels. On the contrary, it had done what it could to achieve an economic solution while safeguarding its neutrality; the difficulties clearly lay on the side of the European Community. Mr. Rey's statement was greeted with satisfaction in official circles because it naturally had special weight in Austrian internal affairs in view of the forthcoming election.

Mr. Rey made it clear that no new move to resume the talks with Brussels was currently expected from Vienna; the internal difficulties of the Community had first to be resolved before any move in this direction from either side could have any prospect of success.

(Neue Zürcher Zeitung, 25 March 1969)

## II. MOVEMENTS, ORGANIZATIONS AND PROMINENT FIGURES

### 1. The EEC Finance Ministers meet in conference at Garmisch-Partenkirchen

Meeting at Garmisch-Partenkirchen on 13 and 14 January 1969, the EEC Finance Ministers discussed monetary and financial policy questions in the EEC. The chair was taken by Mr. Strauss, Minister for Financial Affairs; Mr. Schiller, Federal Minister for Economic Affairs also took part. The Finance Ministers discussed the Future financial constitution of the EEC and had talks with the Presidents of the Central Banks on the monetary situation following the international conference in Bonn.

At the conference the Finance Ministers continued their efforts to ensure they were, in future, more closely 'in tune' with all Commission proposals which had financial implications. An effort would be made to see to it that the EEC Council took no decision (having financial implications) without first consulting the Finance Ministers. Such an arrangement would particularly affect the common agricultural policy, as indeed it would affect all other areas of policy.

A report drawn up for the conference by the EEC Budgetary Policy Committee also had this end in view. The Committee recommended that the Commission should accompany its proposals to the Council with an estimate of the costs over a period of years. The budgetary machinery of the Community also had to be improved and financial plans covering a period of years had to be introduced for community expenditure, in line with the practice in the member States.

Mr. Hans von der Groeben, the German member of the Commission, told the conference about fiscal harmonization in the Community, particularly on the flow of capital and on trans-national business amalgamations. According to reports, the Commission is to propose certain fiscal concessions to promote amalgamations between enterprises in individual member States. It would appear that a settlement has to be found to ensure that attempts to effect mergers do not fail because businesses are obliged immediately to reveal their undisclosed reserves and pay duty on them.

The Finance Ministers were unable to agree on any further removal of customs controls at the frontiers within the Community. Speaking in his

capacity as chairman, Mr. Franz Josef Strauss, told the press about the discussions on the first day and said that the Federal Republic agreed with a Commission proposal that tourists should be allowed to take with them goods subject to turnover tax of a value of up to \$100 and to fall in with a special arrangement for goods which were subject to a particularly high consumer tax in any one country. Mr. Hans von der Groeben thought that if such an arrangement obtained, the customs control at frontiers could be limited to spot-checks. Mr. Strauss said that so far not all the Finance Ministers had agreed to this proposal. He refused to say from which country the strongest opposition to removing customs controls had come.

Mr. Strauss gave an assurance that Germany was ready at once to go even further than the Commission proposals and waive any restriction on the goods subject to turnover tax which tourists might take with them. Tourists should be allowed to take goods which also attracted consumer taxes up to a value of DM1000. He hoped that it would still be possible to get an agreement so that this duty-free traffic in goods might become operative by the next tourist season. These concessions ought not, in any eventuality, to count as business traffic because the rates of tax in the member States are not harmonized and a variation in treatment could follow.

Mr. Strauss thought there were several reasons why the customs controls could not be completely removed within the Community. In this connexion he referred to the prohibition on armaments exports in Germany, a point which had to be watched. A complete removal of the customs frontier service furthermore could only come after fiscal harmonization.

In connexion with tourist travel, Mr. von der Groeben announced a Commission proposal which would be submitted to the Council of Ministers in Brussels in the near future.

Mr. Strauss said the conference agreed that the Finance Ministers should have a greater say in the decisions of the EEC. All proposals put to the Council would have to be accompanied by an estimate of costs, preferably covering a period of several years. The enquiry into the possibilities of introducing financial planning (covering a period of years) within the Community should not be limited to the member States but also embrace the Commission's budget. The Budgetary Policy Committee agreed to continue its studies into this matter and report to the Ministers at their next meeting.

All Commission proposals having financial implications had not only to be put before the Council but also to the Finance Ministers at the same time. Similarly the Ministers or their deputies would take part at all Council sessions dealing with proposals having financial effect.

But no agreement was reached on a German suggestion that financial responsibilities within the Commission should be concentrated in what would amount to an EEC Finance Ministry. The German suggestion however did not mean setting up any new commissariat but entrusting one of the existing ones with this responsibility.

(Frankfurter Allgemeine Zeitung, 7 January 1969;  
Handelsblatt, 7 January 1969;  
Frankfurter Allgemeine Zeitung, 14 January 1969;  
Die Welt, 14 January 1969;  
Frankfurter Allgemeine Zeitung, 15 January 1969;  
Handelsblatt, 15 January 1969;  
Neue Zürcher Zeitung, 15 January 1969;  
Industriekurier, 16 January 1969)

2. The Pan-European Union launches a drive for European unification and welcomes the new plan for Europe put forward by General de Gaulle

The Belgian Council for the Pan-European Union organized the twelfth of its 'St. Charlemagne' dinners in Brussels on 27 January 1969. On this occasion, Archduke Otto von Hapsburg summed up the prospects for Europe and found nothing to record but despair.

He attributed this despair to a loss of faith in Europe since the time of Robert Schuman; in recent years, from the tedious repetition of hackneyed phrases one had come to acts of faith articulated more in the manner of an autosuggestion than as a Creed.

He felt that this loss of faith was coinciding with a loss of soul on the part of the younger generation whose open-hearted revolt was collapsing in a vacuum which adults had failed, either by ignorance or indifference, to fill; this loss of soul was also in evidence among the churches which were rent by their ministers and their theologians.

Another reason for this despair was the inexorably widening economic gap between Europe and the more developed countries. He described the situation in very sombre terms and concluded that, scientifically, Europe was very sick while the Common Market and the Free Trade area were bogged down in procedural marshes.

He was even more pessimistic in his diagnoses of European politics. Not only had the peoples of Europe jettisoned the principle of solidarity but most of the private organizations in Europe were, in turn, thinking more about their disagreements than about the ideal which should bring them together.

Confronted, however, with the Europe where resignation seemed to prevail, this very despair could unleash tremendous energies. He outlined a possible course for recovery. He felt that even if only one country at a time recognized the principle of 'European nationality' this would, he felt, have the virtue of an example and be the first step towards a political Europe.

This Europe, he went on, could not be a purely political one in so far as it had to offer to the world a model of the kind of society to which humanity aspired. It had also to be cultural. One approach would be through a reform of the university system along the lines of the old Christian republic of the Western university. The economic Europe could, for its part, be more readily realized through a pooling of science and of inventions.

He also attacked, in a passing reference, the non-proliferation treaty whose purpose, he said, was to create an international economic monopoly in favour of the super-powers in the peaceful utilization of nuclear energy.

A few days later, on the 40th anniversary of the Aristide Briand's initiative to promote European unity, the Pan-European Union (whose president is Baron Richard de Coudenhove-Kalergi) published an 'appeal to all Europeans'. Referring to General de Gaulle's proposals to Mr. Soames, the British Ambassador, it stated 'Europe is powerless vis-à-vis the USA, the USSR and China. At this crucial moment in time, the President of the French Republic has just launched a new move on Europe.

General de Gaulle suggested to the British Government that ways of uniting Europe should be discussed before it was too late: through a Franco-British understanding, through Britain's entry into the continental system, through a compromise between the Common Market and EFTA, by striking a balance between the united Europe and a friendly and allied USA, through a standing relationship of solidarity between France, the United Kingdom, Germany and Italy, whose joint population of 215 million people represents more than two-thirds of those of the 18 members of the Council of Europe.



Such a relationship of solidarity would preclude any national hegemony and bring Europe nearer to union - in the interests of every nation. '

(La Libre Belgique, 30 January 1969;  
Le Monde, 14 March 1969)

3. The European Movement on the Benelux plans

The Executive Committee of the European Movement in the Netherlands was in agreement in welcoming the statement made by the Dutch and Belgian premiers and foreign ministers on 4 February on enlarging and consolidating the Benelux Economic Union.

The European Movement takes the view that as many countries as possible should take part in the integration process. The Executive Committee recognizes that the fundamental difference of opinion on the Council of Ministers of the European Community over the nature and scope of unification at present stands in the way of the realization of this ideal. The Benelux countries have become the pacemakers of European unification and lead the EEC in the results achieved in certain fields.

The Executive Committee considers that everything should be done to overcome the political deadlock in the EEC. As long as there is no real hope, in the immediate, that the Council of Ministers will be galvanized into taking decisions, any progress on a small scale is to be welcomed in the hope that the other member States will follow the example of the Benelux countries.

(Information Bulletin of the European Movement in the Netherlands,  
5 February 1969)

4. The President of the Standing Conference of Chambers of Commerce in the EEC speaks about the part this organization should play within the Community

In an interview with an Italian daily, Professor Ernesto Stagni, President of the Italian Union of Chambers of Commerce, who was elected

President of the Standing Conference of Chambers of Commerce in the EEC, discussed the work of his organization.

'It may be said that the Chambers of Commerce of the whole of Europe have already become profitably involved in economic integration. The representative body of the Chambers of Commerce, however, i. e. the Standing Conference, has not yet been recognized by the official consultative bodies of the Community; yet the primary purpose of the Conference is to make its voice increasingly heard in official circles because it discusses problems from the point of view of inter-professional interests, transcending and approximating the opinions of individual sectors.

At the present stage, the EEC's progress is rather slower; this is mainly due to political reasons, which are thus not within the terms of reference of this Standing Conference and which, in any case, do not affect the activity of the various General Directorates in which the activities of the European Commission are organized. Indeed, it must be recognized that these Directorates tackle and endeavour to overcome the economic, technical and legal problems which are thrown up by the differing situations in the member States which constitute an obstacle to an early approximation of the national systems.

The Conference would therefore like to clarify some of these positions so as to facilitate the decisions which will have to be taken, thereby accelerating the integration process. One of the main points under analysis on the Committees of the Conference at present is the plan to form European-type companies; in this way, it should be possible to overcome the difficulties that stand in the way of new economic initiatives and to provide standard regulations for them. Another point of special importance is to free the flow of capital by removing the obstacles which still stand in the way of this kind of free movement. These obstacles are of various kinds but the main ones are fiscal and legal. Coupled with the free movement of capital is the whole problem of a system of European capital markets which could preclude the recurrent monetary crises, as is demonstrated by the experience of 1968.

Other problems are (i) to set in motion a common policy for transport, (ii) the common agricultural policy and (iii) changing the markets policy into a policy for structures.'

Professor Stagni concluded by saying that the Standing Conference was confronted by a great many problems which ranged from the basic issues of economic integration for the member States to more specific matters, such

as fiscal charges on raw materials imported from Associated States and so forth.

(Il Sole, 24 Ore, 6 February 1968)

5. Statements made by President Nixon on Europe and relations between the United States of America and Europe, during his visit to Brussels, London, Bonn, Berlin, Rome and Paris

On 6 February 1969 the President of the United States defined as follows the aim of his visit to Europe: 'The purpose of this trip is to underline my commitment to the closest relationship between our friends in Western Europe and the United States. I would like to lift these relationships from a concern for tactical problems of the day to a definition of our common purposes. . . . I am eager for an early exchange of views on all the important issues that concern us. I favour intimate and frank consultations and I am delighted that it has proved possible to make this journey so early in my administration. I am going to discuss, not to propose; for work, not for ceremony; The future of the countries of the West can no longer be an exclusively American design. It requires the best thought of Europeans and Americans alike. I look on this trip as laying the groundwork for a series of meetings to be continued over the months ahead.'

On 22 February, President Nixon made the following statement to the press: 'There are three general categories that should be mentioned. First, I would expect to discuss all bilateral matters of substance which the other element may want to bring up and also those which we might think would be appropriate. Second, it would be my intention to discuss also multilateral matters, particularly those that involve the alliance and our relations with other countries in Europe. In each of those countries that we will be visiting we will be bringing up some multilateral matters.

Third, there will be a substantial amount of time spent on subjects that are neither bilateral nor multilateral or relating to Europe. There will be a substantial amount of discussion, from the indications that I have received from the heads of government and heads of State abroad, on general subjects in the field of foreign affairs in which I will be extremely interested in getting the advice and the best thinking of the leaders abroad on those subjects, East-West relations, for example, arms control.

I have already indicated that there will be discussions with our European friends on the possibility and the desirability of having discussions with the Soviet Union on various subjects, discussions of our relations - not only our relations but theirs - with underdeveloped countries, aid programmes, for example; discussions also with regard to other areas of the world - Latin America, Africa and Asia - in which we may have a common interest.

.....

I am not going to Europe for the purpose of lecturing the Europeans, of telling them that we know best, and of telling them to follow us.

We are going there to listen to them, to exchange views, to get their best information and their best advice as to how their problems should be solved and how world problems should be solved. We need their advice and we are going there very honestly trying to seek it.'

### Brussels

During his stay in Brussels, President Nixon had talks with Mr. Jean Rey, President of the Commission of the European Communities.

Jean Rey has on several occasions commented on the 'excellent atmosphere' in which the talks between him and President Nixon took place last Monday, and on their significance.

All major issues of common interest between the United States and the European Communities were reviewed, he said, terming the discussion 'frank and constructive'.

Summing up the present state of the Community for the President, Mr. Rey reportedly said the economic situation is basically sound; integration is on course, although major debates are developing over such critical problems as a common energy policy, agriculture and a common commercial policy towards Eastern Europe. As for the current tensions between London and Paris over enlarging the Communities, Mr. Rey said that in keeping with 'the Commission's rôle of conciliation rather than exacerbation', he had not raised the subject. In response to President Nixon's question as to the rele-

vance to the Community of what appears to be a rebirth of nationalism, Mr. Rey said that while Europe has already carved out a place for itself in the world through the elimination of tariff barriers and restrictions in agricultural trade, remaining steps to union involve more fundamental sacrifices of national interests. It is only natural that these interests would loom larger as the Community moves ahead, he indicated.

The two Presidents underscored the importance of avoiding a trade war between the United States and the Common Market. In this connexion, the idea of close and continuing transatlantic consultations at all levels was supported by both. There is an awareness, said Mr. Rey, of 'our common responsibilities in such fields as trade, monetary affairs and developmental aid.'

Departing Brussels, President Nixon said he was 'encouraged in the belief that America can work with its European partners in increasing harmony. My talks with President Rey and the Commission of the European Communities have strengthened my conviction as to the high purpose and indispensability of European economic integration.'

On 24 February, President Nixon made a speech before the North Atlantic Treaty Council. He declared in particular: 'I have said before that we are ending a period of confrontation and entering an era of negotiations. In due course, and with proper preparation, we shall enter into negotiations with the Soviet Union on a wide range of issues, some of which will directly affect our European allies. We will do so on the basis of full consultation and co-operation with our allies, because we recognize that the chances for successful negotiations depend on our unity.'

Mr. Nixon also had private conversations with Mr. Eyskens and Mr. Harmel. This was followed by a private visit to King Baudouin. The main subject of these talks was North Atlantic affairs and East-West relations.

On leaving Brussels, the President of the United States expressed his confidence in the Atlantic Alliance. The Belgian Prime Minister, Mr. Eyskens, underscored the desire for co-operation which marked the Belgo-American talks. With regard to present European difficulties, Mr. Eyskens stated that the Common Market was important and that Europe must progress 'in spite of disappointments and temporary crises'. According to the Belgian Prime Minister, America's task was now quite clear, namely supporting the Communities, even if this should, at times, involve temporary inconvenience for the United States. He further stated: 'Belgium is attached to the Paris and Rome Treaties. It has even accepted certain technical regulations that were not always favourable. This was done in order to make the choice irreversible. We have remained faithful to that spirit and we shall reject any basic amendment that might be suggested.'

## London

On his arrival in London, President Nixon gave a personal definition of the special relationship between the United States and the United Kingdom: 'Winston Churchill called ours a special relationship. He was not referring to legal obligations but to human intangibles. He was referring to the means of communication to which Woodrow Wilson had referred 50 years ago, and no two nations in the world more commonly and more closely share the means of communication than do the United States and the United Kingdom. We share a common language, we share the common law, we share great institutions of the Parliament, we share other institutions. And because we share those institutions, we enjoy a means of communication which gives ours a special relationship. It means too that we share something else, a common commitment to a peace that transcends national boundaries and because we are partners in the quest for peace, we know that our relationship - that special relationship that we have - is not exclusive because that peace that we seek, the two of us, will be secure only when all nations enjoy the relationship of trust and confidence that unite us.'

Her Majesty's Prime Minister, Mr. Harold Wilson, stated in his reply: 'The events of last summer also underlined the need for still greater unity within Europe, a unity design not to weaken or disrupt the alliance, but to strengthen it. A unity which will enable Europe, and each of us as a European country, to develop together the great potential of industrial strength and industrial skills which we have all of us here in Europe. A unity in political as in economic terms which will reject narrow inward-looking attitudes in favour of the wider world-concept which you, Mr. President, and we are committed to advance.'

Mr. Nixon also had talks with the Conservative leader, Mr. Edward Heath, on the problems of the Middle East, South East Asia, European economy, NATO, and East-West relations. The President of the United States then resumed his talks with Mr. Wilson. He attended, with his assistants, a meeting of the British Government. During these talks, the problems relating to NATO, economic affairs and European integration were discussed. The Middle East, Asia and Africa were further discussed during a working lunch.

## Bonn and Berlin

On arrival in Germany, Mr. Nixon referred to America's dedication to the cause of Germany's re-unification and their common devotion to the great Atlantic Alliance. He addressed the Bundestag and then had talks with

the Federal Chancellor, Mr. Kiesinger. A spokesman of the Federal Government declared that Mr. Nixon had expressed the view that Europe's present difficulties were transient and that no critical situation had arisen. The talks dealt with relations between the Federal Republic and the USSR, Berlin, European integration and European security. Chancellor Kiesinger pointed out to the American President that his country's political aim was a united Europe and that present differences over the methods and form of that unity were of secondary importance.

On a visit to West Berlin, the American President clearly affirmed in several speeches America's inflexible determination to guarantee the freedom and security of West Berlin.

Addressing the American Armed Forces at Berlin-Tempelhof Airport, the President of the United States referred to the presence of American troops on foreign soil in the following terms: 'You are here, it is true, in a land far away from home, but you are also here in a land and in a city which welcomes you and wants you.'

You are not here as an occupying force, you are not here because the United States of America has designs on any other nation or any other territory, you are here because of our desire, shared by the people of this country and of this city, to defend their right to be free and that is the American destiny in the world today.

We are a great power, we have obligations around the world, but because of the great changes that have occurred in history, the American mission is different from that of some others who have risen to greatness in their rôle in the world.

We seek no territory, we seek no concessions, all that we want is the right for others that we have for ourselves, the right to be free, the right to choose our own leaders, the right to disagree and the right to settle our disagreements in a peaceful way.'

### Rome

President Nixon discussed with the Italian leaders the problems of the Middle East, Latin America, Eastern Europe, relations with the USSR and proposals with a view to increasing NATO's effectiveness.

In his address of welcome to President Nixon, Mr. Sarragat, President of the Italian Republic, stated in particular: 'Your visit, Mr. President, is of great importance for the future relations of the nations that have adhered to the Atlantic Alliance and is a forerunner to the talks you will be having with the Soviet Union. But in this peaceful dialogue between East and West, Europe cannot make a decisive contribution unless it finds, together with unity, the necessary resolve to overcome its own destiny.'

During President Nixon's talks with the President of the Italian Council, Mr. Rumor, the Minister of Foreign Affairs, Mr. Nenni and the Minister for the Treasury, Mr. Colombo, a complete identity of aims and ideals emerged.

### Paris

On his arrival in Paris, the President of the United States declared: 'I come here at the end of my European visit in order to stress our attachment to Franco-American relations.'

The President of the United States had talks with General de Gaulle. The two heads of State were joined by Messrs. Couve de Murville and Debré and, on the American side, by Mr. William Rogers, Secretary of State, Mr. Henry Kissinger, the President's Advisor on European Affairs and National Security Matters, and Mr. Martin Hillenbrand, Secretary of State for European Affairs.

In the course of a dinner given in his honour by the President of the French Republic, President Nixon declared in particular: 'I look forward, Mr. President, with great anticipation to working with you and with your country and with your Government for the cause to which you have dedicated your life, the cause of freedom and dignity for nations and for men, and for peace and brotherhood for all people.'

In his reply, General de Gaulle declared: 'We said in public - both of us - that the world was in the process of undergoing considerable change. But there are certain things which I have seen at all times and in particular memorable occasions of my own career.'

These are certain things which do not change and one thing is precisely our Franco-American friendship. We have found, and I have always found that



when the will is there and even if the problems which beset you and beset us may at times be difficult ones, we have always found that the Americans and the French are capable of dealing with their problems, not only in a frank and cordial atmosphere, but in a true spirit of confidence in each other. '

### Vatican City

At the close of President Nixon's visit to Pope Paul VI, the Vatican issued the following communiqué: 'The conversation was principally concerned with the examinations of those various situations where understanding between nations is more necessary, and where peace must be re-established, by means of just and honorable solutions of the conflicts in progress with respect of the freedoms and lawful aspirations of peoples.

Particular mention was made, in regard to international collaboration, of the need of intensifying support of the developing nations, among other ways, by use of nuclear energy for peaceful purposes.

While expressing his high appreciation of the contribution being made by the United States of America to the programme of development, the Holy Father encouraged its continuation and its amplification; always with due respect for the dignity and freedom of the peoples to whom it is given.

His Holiness also expressed the confident wish that the action of the United States of America be directed towards the defence and promotion of the ideals of a free, just and peaceful society, according to the spirit of the Gospel and the very principle enshrined in the constitution of the country. '

### Washington

On his return to Washington on 3 March, President Nixon said: 'I think that one of the accomplishments of this trip is that we have established between the United States of America and the major nations of Europe, and I trust other nations of Europe as well, a new relationship of trust and confidence that did not exist before.

For example, as we look at the relations with France, they are different today than they were a week ago. Now how different they are only time will tell. But that they are different and improved I think would be a fair assessment of that situation. We can also say that as a result of this trip, the United States has indicated its continuing support of the Alliance, the Atlantic Alliance, and that we have also indicated our support of the concept and ideal of European unity.

In addition we have indicated that we recognize our limitations as far as European unity is concerned. Americans cannot unify Europe. Europeans must do so. And we should not become involved in differences among Europeans in which our vital interests are not involved.'

(News Bulletin of the United States Information Services,

No. 24, 7 February 1969,

No. 36, 25 February 1969,

No. 39, 28 February 1969,

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3, 4 and 5 March 1969;

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Süd-Deutsche Zeitung, 1 and 2 March 1969;

Il Giorno, 28 February 1969;

Corriere della Sera, 28 February 1969;

Avvenire, 4 March 1969)

6. International Conference in Milan on the participation of the working classes in the political unification of Europe

The Italian Committee of the European Federalist Movement decided to take advantage of the constitutional provisions on the presentation of a bill relating to the direct election of Italian delegates to the European Parliament. This procedure can be adopted if a request is tabled by 50,000 electors.

The bill provides for the election of delegates who are already members of the Italian Parliament. One half would have to come from the Chamber of Deputies and the other from the Senate. The necessary number of

signatures was reached at an international conference held in Milan on 15 February; among those taking part were Dr. Hallstein, President of the International Council of the European Movement, Mr. Petrilli, the President of the Italian council of the Movement, Mr. Théo Lefèvre, Belgian Minister for Scientific Research, Mr. Maurice Faure, former Minister, Mr. Duncan Sandys, former Minister, Mr. Bruno Pittermann, the Austrian President of the Socialist International and Mr. Gaston Defferre, the Mayor of Marseilles in his capacity as President of the French section of the Council of European Local Authorities.

The meeting provided an opportunity not only for a vague revival of the European idea but for renewing the demand that the obstacles in the way of British accession to the Community should be removed. This plea came mainly from the Steering Committee of the European Movement which met there prior to the Congress under the chairmanship of Dr. Walter Hallstein.

The Committee referred specifically to the recent proposal made to the WEU by Mr. Pietro Nenni, Italian Foreign Minister, and went on to approve an agenda stating: 'The Committee is gratified at the moves made by the Italian Government to organize preliminary consultations between European governments on the major issues of international politics; it welcomes the approach of the British Government to hold consultations at a European level on the problems of the Middle East and regards this as a first practical step in this direction; it trusts that suitable measures will be taken to break the present deadlock in consultations and to bring together the European heads of government who are ready to lay the foundations for a true European political Community.'

Dr. Hallstein repeated how urgent it was to remove the obstacles in the path of British accession to the Community. 'The crisis occasioned by this further deferment of British accession is weakening the Community; it has made its operation more difficult and taken away some of its dynamism. Our Community needs to be revitalized.'

Referring to the signatures successfully gathered to secure the direct election of members of the European Parliament, Dr. Hallstein added: 'The Italian initiative will spark off efforts in various forms in the other member States to achieve the same objective. If it is achieved the parliamentary function will change the whole aspect of our Community. A directly elected European Parliament will not, in the long run, be content to operate within the terms of reference laid down in the Treaties; it will also develop a natural tendency to widen these terms of reference to the point where they are consistent with the principles of democracy at the level of the public authorities in Europe.'

Other speakers stressed the positive prospects linked with a directly elected European Parliament, Mr. Petrilli said that 'only a great wave of popular enthusiasm will restore drive and effectiveness to the struggle to unite Europe at a historic moment when it was more than ever necessary. The events in Czechoslovakia last summer and the worsening tension between Israel and the Arab countries have once again shown the inability of the nation States of Europe to exercise any influence over events which directly affect their own security.' He said that in the world of today, economic expansion demanded that we should overcome anachronistic political fragmentation. He said that the process of economic and institutional integration, initiated in the Little Europe to create a Community endowed with common institutions, needs must in the long run have led to political integration. 'But between economic and political integration there will, in the final analysis, have to be a change in kind which can only be made if there is a deliberate political resolve to this effect.' Lastly, with reference to the campaign for the direct election of the European Parliament, he said: 'Today more than ever, the prospects of federalism coincide with those of democracy.'

Mr. Defferre, speaking as the President of the French Section of the European Council of Local Authorities, welcomed the success of the Italian campaign to secure direct elections to the European Parliament and expressed the hope that this would have a contagious effect in the other member States. 'We must aim towards the political Europe, in all its institutions and through the co-operation of all the forces of democracy against the nation State. This will be an ideological as well as an institutional revolution.'

At the beginning of the conference, Mr. Aldo Aniasi, the mayor and Mr. Erasmo Peracchi, President of the Province, reaffirmed the support of the people of Milan for the European idea. Mr. Peracchi said that to restore the right of constituent assembly to the people of Europe was neither a rhetorical question nor an act of demagogy but assuredly practical proof of being perfectly attuned to the requirements and the more positive trends which went to make up the social reality of today.'

(Corriera della Sera, Avvenire, La Nazione, 16 February 1969)

7. The Free Trade Unions are in favour of an agreement between the European Community and Israel

The Executive Committee of the Confederations of Free Trade Unions of the six countries of the European Community, met in Brussels on 21 February 1969. They issued the following statement:

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'The Executive Committee is concerned at the developments in the economic and social relations between the Community and the countries in the Mediterranean basin.

The Executive Committee is gratified that an agreement is to be concluded with Tunisia and Morocco but regrets that the resumption of negotiations with a view to a similar agreement with Israel continues to be deferred. The economic and social development of Israel, particularly its industry, depends on a closer association with the important economic area which Europe represents. This is why Israel has from the outset clearly expressed its interest in forming close links with Europe.

Consequently, the Executive Committee asks the Council and the member States that the signing of the agreements with Tunisia and Morocco should be coupled with the signing of a similar agreement with Israel. The Executive Committee is convinced that this would be conducive to the harmonious and balanced economic and social development of the Mediterranean basin and pave the way for political stability in the Middle East.'

(European Free Trade Unions Secretariat, communiqué)

8. Pope Paul VI makes an appeal for European unity

On 23 February, Pope Paul VI appealed for prayers for Europe which was, he said, the focal point of the historic present times. He stressed that uniting Europe was an arduous but great and essential endeavour which could not be deferred; it was an endeavour which had 'come of age'.

He began by saying that all were aware of the relevance of the problem of uniting Europe. Everyone knew this geographic term embraced the essential features of the secular tradition which were of decisive importance, both for the civilization of today and for that of tomorrow. 'Together, we can see that the value which this term "Europe" is acknowledged to have will determine the future of our peoples who live under it and perhaps even that of others.'

'The cause of peace is closely bound up with this term. We can all see that Europe's great problem is to become effectively and organically united and in doing so to respect the interests of the individual nations, whose ethnic

and cultural features are now clear and defined. It is, indeed, a problem, and a difficult one, that politicians have to deal with and resolve. It is our wish that they may be given the wisdom they need for this arduous but great undertaking, it is indispensable and cannot be deferred; it is an endeavour which has "come of age".

It is the duty of all to create a new moral atmosphere to facilitate achieving the solution we hope for. We must find a new approach, an approach which cannot be that of discord, hegemony or national egotism. Nor can it be founded on a precarious co-existence based on a balance of defensive and offensive power. Nor indeed can it be based on the indifference of purely neutral isolation.'

He concluded by saying that this had to be the approach of mutual co-operation and understanding and of a gradual rapprochement in an active peace in the common interest. It needed a wider, more generous, more spiritual approach in forming which the Christian spirit and the Catholic spirit could be such a stimulus. From the old Christianity of Europe there could emerge an international society; progress and peace required this 'both for ourselves and the world.'

(Corriere della Sera, 23 February 1969;  
l'Avvenire, 24 February 1969)

#### 9. The 16th Belgo-Luxembourg-German Parliamentary Conference

Thirty German, Belgian and Luxembourg parliamentarians met in Bad Neuenahr from 28 February to 2 March 1969 for their 16th inter-parliamentary conference.

In a resolution, the parliamentarians emphasized their resolve to further the development of the European Communities through the application of the Treaties of Rome and to promote the integration of the six countries on the principle of co-operation between parties having equal rights. They called for an end to the present conflicts and for the accession of the 'applicant' States on the basis of equal rights and responsibilities.

They noted the special importance attached to regional policy in the Belgo-Luxembourg-German frontier area and called on their governments to prosecute a large-scale regional programme not only from the national and

regional standpoints but also from that of Europe as a whole and to do so by reference to standard assistance procedures. It appeared important, with this objective in view, for the EEC Commission to be endowed with greater powers and to pursue a European policy on regional planning in regular consultation with national experts. Transport policy and particularly international road-building were debated with similar attention.

The resolution read as follows:

The Belgo-Luxembourg-German group of parliamentarians in the Inter-parliamentary Union

- emphasizes its resolve to further the development of the European Communities in application of the Treaty of Rome;
- wishes to consolidate the substantial achievements already made in European integration by the Europe of the Six in the Common Market;
- is stepping up its efforts to promote this integration in a spirit of co-operation between the Six as parties having equal rights;
- calls upon the three States to do everything to resolve the present conflicts which could seriously endanger the future of the Common Market and that of a united Europe which should remain open on the basis of equal rights and responsibilities to other States willing to accede;
- records that regional planning is one of today's main challenges; it therefore calls upon the responsible authorities not to neglect the 'all-European' aspects when making their regional and national plans and expects the Governments to conduct bilateral and trilateral negotiations to ensure that national and regional projects do not clash but fit in with each other;
- considers it important, for the harmonizing of programmes, for the EEC Commission in Brussels to be endowed with more powers; the Commission itself is asked to hold regular consultations with the politicians responsible for regional affairs;
- considers that the road and transport policy is a very important factor in European unification; road-building can thus not be planned solely by reference to the narrow national context;
- will pay particular attention to land preservation and nature conservancy in the Belgo-Luxembourg-German frontier area; above all, it regards it as necessary that inter-State agreements be concluded between the participating countries;

- agrees with the EEC Commission proposal designed to facilitate tourist traffic within the Community by waiving taxes and levies up to a limit in value still to be agreed, provided the goods serve the private purposes of the tourist. The concession should be standard in all countries and be effected on the largest possible scale.

(Luxemburger Wort, 11 March 1969)

10. Declaration by the Monnet Committee

At a meeting held in London on 11 March 1969 and attended for the first time by delegates of the three main British parties, the Action Committee for the United States of Europe adopted a declaration of which the following are the principal passages:

'..... The Committee believes that it is essential without delay to find solutions to the problems of British entry into the Common Market. It is equally necessary to seek ways of achieving the political integration of Europe including Great Britain.

For this purpose there must be a dialogue between the Six and Great Britain, which until now has been impossible.

The Committee, which comprises the majority of the political parties and trade unions of the Six and the three main political parties of Great Britain considers that this dialogue is urgently necessary and that it can be undertaken within the Committee itself.....

The Committee unanimously decided:

1. To seek solutions to the problems of British entry in the monetary, agricultural, technological and institutional fields;
2. To meet in Hamburg on 22 May, to discuss the state of progress, and in Brussels on 15 July, in the hope of drawing up its conclusions;
3. To propose these solutions to the Governments of the Six and of Great Britain.



In working out the solutions it intends to place before the governments, the Committee has received the help of the following:

- Mr. Guido Carli, Governor of the Banca d'Italia, in monetary matters;
- Mr. Walter Hallstein regarding institutions;
- Mr. Pisani regarding agriculture;
- a small working party headed by Lord Plowden, President of Tube Investments Ltd., and Mr. Winnacker, Director-General of Farbwerke Hoechst, regarding technological development.

The resolution states that the work of the Committee will not take the place of the negotiations which must be started up between the governments concerned. It will facilitate these negotiations by demonstrating the possibility of bringing together Great Britain and the Six in one European Community. These solutions must be sufficiently clear-cut and at the same time leave enough elbow-room for the negotiations between governments.

Along the same lines, the Committee will draw up proposals on political integration, including security, which are essential for full European integration. The Committee will submit these proposals to the governments. '

(Le Monde, 13 March 1969)

#### 11. The case for a policy on behalf of the European handicrafts

In March 1969 the Union of Handicraftsmen in the EEC published a statement outlining the conditions for a policy in support of European handicraftsmen.

'The European Communities and particularly the EEC have created new opportunities and new markets for the craft industries. It is however impossible to exploit these opportunities without an appropriate policy for this sector.

To achieve this objective the Commission devised an industrial policy for heavy industry. In the last year of the transition phase of the Com-

mon Market, it would be desirable to complete the policy tailored to suit major industries to make a comprehensive plan taking into account the special situation of the craft industries. In the Community, as in the USA, something like 90 per cent of firms in competitive business are small or medium-sized. Only a comprehensive economic policy will safeguard the all-round soundness of the economy and make it possible to create balanced internal relationships in the Common Market. In this respect, the progressive harmonization of the right of establishment for craftsmen should be directed by reference to an overall plan covering the function and responsibilities of the craft industries. '

The Union of Handicraftsmen recalled the various statements of position regarding the draft second medium-term economic policy programme. It had expressed the following wishes with regard to this draft:

'Facilitating the creation of economic Community organizations and their exemption from the application of Article 85 of the EEC Treaty; improving the training and retraining of firm owners in the fields of organization and management; extending the dissemination of information on technical progress to secure the redevelopment of craft industries; taking the European craft industries into account in regional policy and in elaborating an incomes policy for the Community; expanding the financial resources of the craft industries through financial and fiscal policy measures to strengthen their "own" finance, together with measures to facilitate their access to credit. '

(Tageblatt, 20 March 1969)

Zweiter Teil - Deuxième partie - Parte seconda  
Tweede Deel - Part II

METHODISCHE BIBLIOGRAPHIE - BIBLIOGRAPHIE METHODIQUE  
BIBLIOGRAFIA METODICA - BIBLIOGRAFISCH OVERZICHT  
METHODICAL BIBLIOGRAPHY

Diese Bibliographie zählt eine Reihe der Bücher auf, welche die Bibliothek des Europäischen Parlaments im Zeitraum, auf den sich dieses Heft bezieht, erworben hat sowie die Zeitschriften, die sie in der gleichen Zeit auswertete.

Cette bibliographie représente une sélection des titres des ouvrages acquis ainsi que des périodiques dépouillés à la Bibliothèque du Parlement européen pendant la période couverte par la présente édition des Cahiers.

In questa bibliografia figura una scelta dei titoli delle opere ricevute e dei periodici selezionati alla Biblioteca del Parlamento Europeo nel periodo coperto dalla presente edizione dei Quaderni.

Deze bibliografie geeft een keuze uit de aanwinsten van de Europese Parlements-bibliotheek en de periodieken waaruit in deze editie van „Europese Documentatie“ artikelen zijn opgenomen.

This bibliography gives a selection of titles of books acquired and periodicals examined by the Library of the European Parliament during the period covered by this edition of the Digest.



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