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SPECIAL ISSUE

**THE CONFERENCE
OF HEADS OF STATE
OR GOVERNMENT**

THE HAGUE - DECEMBER 1969

EUROPEAN PARLIAMENT

Directorate General for Parliamentary
Documentation and Information

6.1.2

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.

PREFACE

It was felt that it would serve a useful purpose to publish a Special issue of this publication summarizing the policy statements made before and during the Conference of Heads of State or Government held at The Hague from to 2 December 1969.

As these statements were too numerous to reproduce at length, a careful selection has been made so as to present the reader with a balanced overall picture.

The texts adopted following the Conference will appear in the first edition of 'European Documentation' to be published in 1970.



C O N T E N T S

PART I

STATEMENTS BEFORE THE CONFERENCE

	<u>Page</u>
I. <u>GOVERNMENTS AND PARLIAMENTS</u>	3
<u>Belgium</u>	3
Question in the Chamber of Representatives on the critical situation the European Economic Community is in	3
<u>France</u>	7
1. Mr. Jacques Chaban-Delmas makes a policy statement about Europe	7
2. On an official visit to Luxembourg Mr. Schumann, French Foreign Minister, makes a statement about the forthcoming summit meeting	8
<u>Germany</u>	10
1. European aspects in Government Statement of Federal Chancellor Brandt	10
2. Federal Foreign Minister Scheel on the urgent need for an economic and monetary union	12
<u>Italy</u>	14
Mr. Colombo, Italian Minister of the Treasury, on relaunching the EEC	14
<u>Netherlands</u>	15
1. General political and financial analysis of the budget for 1970 in the Second Chamber	15
2. Mr. Luns in favour of taking a fresh look at the second Fouchet Plan	16
II. <u>ORGANIZATIONS AND GROUPINGS</u>	18
1. The Union of Industries of the European Community	18
2. The European Confederation of Free Trade Unions in the Communi- ty and the European Organization of the World Labour Confederation ...	19

	<u>Page</u>
III. <u>EUROPEAN MOVEMENT</u>	21
1. The European Movement in the Netherlands holds a political conference.....	21
2. Manifesto of the Italian branch of the Council of European Local Authorities	22
3. Policy statement issued by the French Organization of the European Movement	24
4. The Steering Committee of the Luxembourg Council of the European Movement	24
5. Political statement by the Italian Council of the European Movement.....	26
6. The Movement for the Independence of Europe states its position..	27
7. Policy statement issued by the European Federalist Movement...	29
8. The Council of European Local Authorities.....	30
IV. <u>POLITICAL PARTIES</u>	32
1. Speaking for the Democratic Centre Mr. Lecanuet makes proposals for consolidating the united Europe	32
2. Prior to the conference in The Hague, the Socialist Parties of the Six countries of the Common Market 'sound a note of warning' ...	33
3. Statement by the European Union of Christian Democrats	34
V. <u>COMMUNITY INSTITUTIONS</u>	36
Aide Mémoire to the Commission of the European Communities for the Conference of Heads of State or Government.....	36

PART II

GOVERNMENT STATEMENTS AT THE HAGUE

	<u>Page</u>
<u>Belgium</u>	40
Belgian proposals on European monetary policy	40
<u>France</u>	42
Mr. Pompidou's plan for strengthening the Community	42
<u>Germany</u>	45
Federal Chancellor Brandt's speech at the summit meeting held at The Hague	45
<u>Italy</u>	47
Statement made at The Hague by Mr. Rumor, Italian Prime Minister ...	47
<u>Luxembourg</u>	49
The monetary policy and increasing the powers of the European Parliament : the main points of a statement made in The Hague by Mr. Pierre Werner ..	49
<u>Netherlands</u>	51
Report of the Dutch Government to the States General on the progress and outcome of the conference of Heads of State or Government	51
Final communiqué of the Conference of Heads of State and Government on 1 and 2 December 1969 at The Hague	55

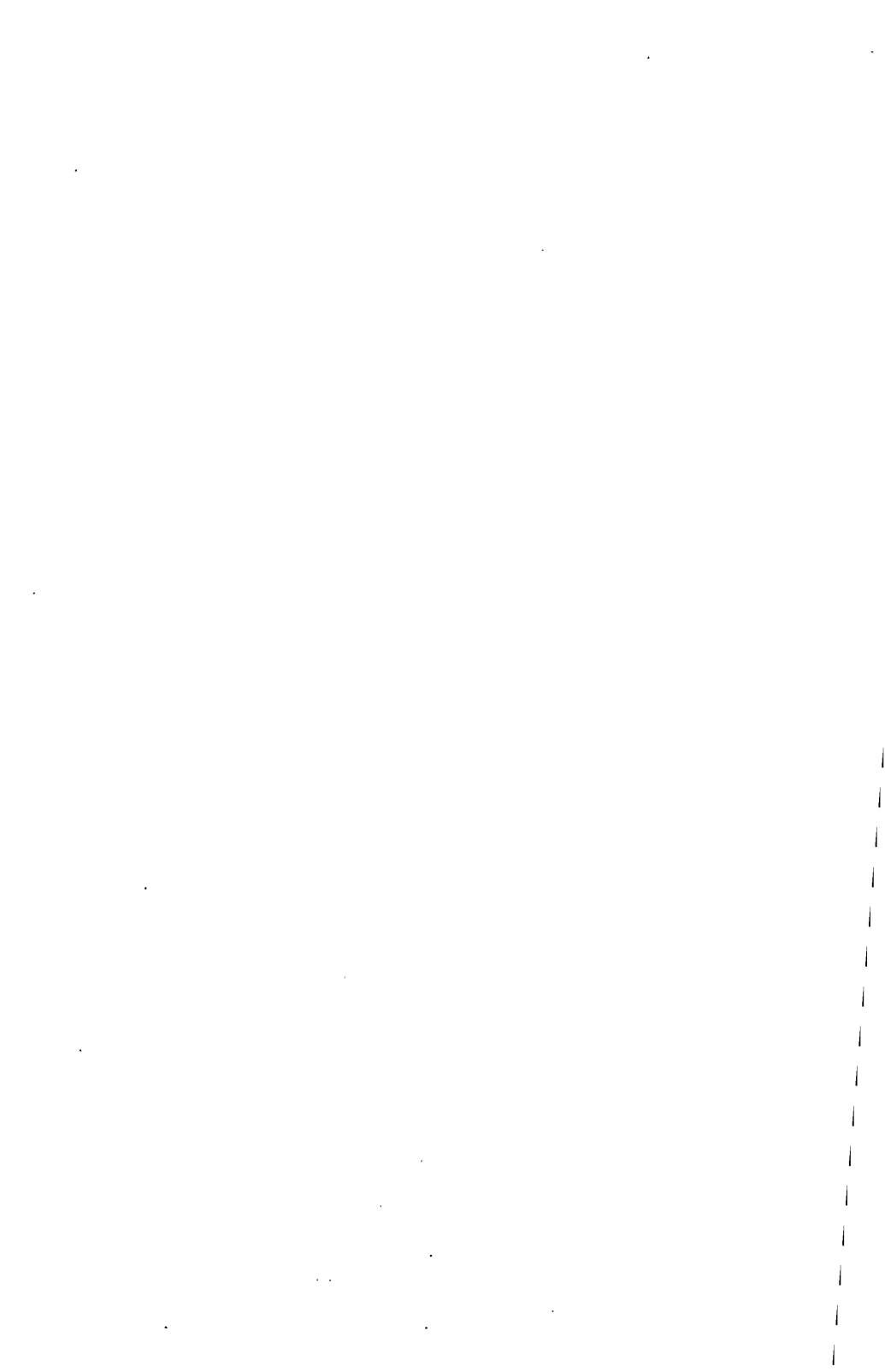
PART III

METHODICAL BIBLIOGRAPHY

	<u>Page</u>
1. General matters	2/B
2. Political and institutional matters	7/B
3. Economic matters	9/B
4. Financial and monetary matters	11/B
5. Competition	13/B
6. Social matters	15/B
7. Agriculture	18/B
8. Transport.....	21/B
9. Energy	23/B
10. Research and cultural matters	24/B
11. Associated countries and territories	26/B
12. External relations	27/B
13. Defence	30/B
14. Legal matters	32/B

PART ONE

Statements before the Conference



I. GOVERNMENTS AND PARLIAMENTS

Belgium

Question in the Chamber of Representatives on the critical situation the European Economic Community is in

On 13 November 1969, on the eve of the summit meeting in The Hague, Mr. Radoux (Socialist) addressed a question to the Foreign Minister on the critical situation the EEC is in. After giving the reasons for his concern, he suggested that the idea of the political union of Europe be revived.

'Since everyone seems to be agreed that political union should be achieved in stages beginning in 1970, I wish to make the following proposal : that the Governments of the Six designate one or more representatives from among their leading politicians to form a committee, of which the President of the European Commission would necessarily be a member or, failing him, a member of the Commission who would see to it that the interests of the Community were represented. This committee would do the ground work for a first meeting of foreign ministers. A first attempt should be directed at quarterly meetings. This would only be a provisional proposal which might possibly assume constitutional form.'

With reference to the enlargement of the Community Mr. Radoux stated : 'Five points seem to me of paramount importance as regards accepting the United Kingdom in the Common Market :

- (a) its predominant position in building reactors;
- (b) it is more advanced than the Six in regard to computers and data processing;
- (c) it is ahead of the Six in aeronautical engineering;
- (d) it would offer greater possibilities for co-operating with the developing countries and, lastly,
- (e) it would put the Community in a better position to discuss and negotiate on problems between East and West.'

Mr. Radoux considered that the European Commission should begin the negotiations : 'The members of the European Parliament know that when

they refer, in their resolution, to the Commission of the European Communities' conducting the negotiations, they are running the risk that a minister could at any moment cause the negotiations to break down by using the right of veto. We are aware of this but we are confident and we trust that the Six and the United Kingdom will both be able to put forward a complete case. For agriculture, the British must be offered a transitional period, as was the case for Belgium, and this could stretch over several years. The main thing is to be together, the ways and means are secondary.'

The speaker trusted that the enlargement of the Communities would run hand in hand with their completion and consolidation.

In reply to this question, Mr. Harmel, Foreign Minister, stated that the Government was firmly determined to honour its Treaty commitments and that its first priority in foreign policy was - now more than ever - European unification.

Belgium was obstinately determined to keep faith with the political vocation of Europe, a Europe which brought together States linked by physical and economic interdependence but also by a fundamental solidarity through their ideological affinities, the identity of their democratic ideas and the community of their aspirations.

Belgium's first concern had been to restore confidence and solidarity between member States of the Community. It had tried to give a new lease of life to the will expressed twenty years ago in Article 8, 1 of the Treaty of the Western European Union.

The Minister added : 'Belgium endeavoured throughout 1968 to lay down a working programme for the development of the Community. Moves should be made in four directions :

- 1) The institutional field. We were struck by the slowness with which the Council came to take decisions and we thought that without changing the rules of the Treaty we should agree that these problems could no longer be dealt with on more than two or three occasions at the Council level without any decision being taken. We also thought it essential in a number of fields, where technical aspects loom larger than political factors, to apply the voting rules laid down by the Treaty.
- 2) To establish a necessary policy line for the Community to have a position on the problems that have become essential to its development. This is directed at the achievement of the economic union and hence a common monetary policy and a common industrial policy for the key sectors.

- 3) To take the essential decisions required by the Treaty to enable us to go on to the final period. This raises the problem of the agricultural financing regulation and at the same time that of making a thorough analysis of the consequences of the common agricultural policy.
- 4) Lastly, the Community has to take a decision on the issues raised by the applications for membership of four European States. It is difficult to take an effective decision on a certain number of technical problems without adopting a working hypothesis concerning the geographic area of the Community.¹

With regard to the summit meeting in The Hague, the Minister stated : 'We want to restore harmony by recreating the political conditions for closer European co-operation and we should like to have a clear idea of what we intend to do when the time comes for passing on to the final period. The summit meeting must not be allowed to end in failure. We must emerge from it with a political resolution.

The summit meeting must give indications on the general aims that Europe must set for itself. We have decided that it should provide the answers to these three problems :

- (i) the transition to the final period or the completion of the Community;
- (ii) the consolidation or internal development of the Community;
- (iii) the enlargement or the opening of negotiations with the applicant States.

These are Community obligations. But we are ready to accept that some decisions may be taken before others. But without a consensus on the policy line in these three fields there will be great difficulty in finding technical solutions to specific questions.

Belgium will be guided by the following four principles :

- (a) the new regulation should respect the principles of Community preference and of financial solidarity;
- (b) in the years ahead the Community must achieve greater control over its own agricultural production. It should then look very carefully at any Commission proposal which introduces the principle of a measure of responsibility on the part of member States for the development of production.
- (c) the share-out of financial burdens must be fair;

- (d) the new financial regulation should make possible an adjustment by a unanimous agreement of all the member States. '

Lastly the Minister spoke about opening negotiations with a view to the enlargement of the Community : 'It is politically necessary to answer applications introduced nearly three years ago. Technically speaking, how are we to define the conditions of internal development if at the same time we do not know what the geographical area of the Community is to be. We must therefore create the conditions for an earlier opening of negotiations. Obviously the applicant States must accept the terms of the Treaty and the decisions taken since they came into force. The negotiations with the applicant States must be with the Community on the one hand and the applicants on the other. It is not a question of an intergovernmental discussion. During the negotiations the Community must continue to go forward. Lastly the opening of negotiations is designed to determine whether the entry of the applicant States is possible. It does not prejudge this decision. '

(Chamber of Representatives; summary report, session of 13 November 1969)

France

1. Mr. Jacques Chaban-Delmas makes a policy statement about Europe

When Mr. Chaban-Delmas was interviewed in October on the radio about his Government's programme, with particular reference to the pressing nature of some problems, he pointed out that frontiers had been opening up ever since the end of the war and this had put an end to France's isolationism. 'On 1 January 1970 there will no longer be any customs barriers between France and the other Five; with the prospect of Britain and other States joining it, the Common Market will gradually have to lower its protection levels against the USA and all the other economic powers outside Europe.'

Replying indirectly to what Mr. Jean Rey had said at his press conference, he said : 'Yes, I believe in Europe and I have had this belief in Europe for a long time.' Mr. Chaban-Delmas made this statement of his convictions at a luncheon, attended by about a hundred and fifty managing directors, organized by the 'Réalités' press group. 'But, he added, not just any Europe the Europe of the Six, the Seven, the Twelve, the Twenty, the European Europe, the Europe that stretches from the Atlantic to the Urals, the unitary, federal or confederal Europe, the Europe that is moving, the Europe that is not, the fast Europe or the Europe in slow motion, the Europe of the clever or the Europe of the clumsy'

'We must begin, he said, with the hard core realities of the Common Market. It is by taking these as our basis that we shall be able to achieve something concrete, something real. We must complete and consolidate the Common Market. Then we shall be able to discuss enlarging it.'

He would, he said, be accompanying Mr. Pompidou to the summit meeting in The Hague. 'Our approach will be fundamentally European but we are determined to be European in action and not simply in our discussions.'

Returning to the possibility of enlarging the EEC, he said : 'The French Government is ready to look into this, and to look deeply into it with our five partners so that once the Common Market is fully completed in every respect we can think about enlarging it in a way that will not change its nature to the point where the term "Common Market" becomes meaningless.'

Speaking in Strasbourg on 23 September, Mr. Chaban-Delmas put the case for Europe's independence in these terms : 'In a few days' time the Six will hold a summit meeting in The Hague. The European Economic Community has proved that it is alive; it has achieved the bulk of the aims it set out to attain in what was referred to as its transitional period. We shall begin the final period on 1 January, by which time we must finish setting up everything for which provision was made in the Rome Treaty. The Six of us must then agree about the future. We, for our part, want the organization of Europe to go ahead in a really European, i.e. independent, way and we want an assurance on this point. Once this is done, there will be no reason not to suppose that the United Kingdom and the other countries that have expressed a desire to participate in the European enterprise may be able to join us so that we can go on telling the world that Europe is united, constructive and alive.

As I told the National Assembly, we are ready to go on as quickly and as far as our partners in a Europe imbued with a sense of its own future. Our country is a member of the Atlantic Alliance, it is reconciled with Germany, is co-operating increasingly with the East European countries, it is endowed with the solid institutions of the Fifth Republic, it has confidence in its economy and in its currency and is ready to forge ahead with the task of unifying Europe'

(Combat, 17 October 1969; Le Monde, 25 November 1969)

2. On an official visit to Luxembourg Mr. Schumann, French Foreign Minister, makes a statement about the forthcoming summit meeting

On 3 November Mr. Schumann was in Luxembourg where he had talks with Mr. Werner, Prime Minister, and Mr. Thorn, Foreign Minister.

At a press conference after these talks, Mr. Schumann discussed the problems involved in completing, consolidating and enlarging the European Communities.

'We are legally bound to complete the European Community and we cannot side-step this commitment. It is therefore inconceivable that this - and the financial regulation for the agricultural policy - should be made contingent on some external factor. What then are we to understand by "a rough date" for opening negotiations with States that have applied to join EEC? If the Community is completed and if the only condition then remaining to be fulfilled

is for the Six to agree on a negotiating mandate, I do not see any reason why the opening of negotiations should be unduly delayed. I am convinced about two points (i) we shall not come to the conclusion - in The Hague - that we cannot enter into negotiations with the United Kingdom or the other applicant States and (ii) there is no reason at all why we should have to set a specific date when we meet there.

The problem is not setting the date but working out a procedure whereby the negotiations can be started with every chance of success. For these negotiations will not be between seven, eight, nine or ten States but between the Community on the one hand and Britain, Denmark or Ireland on the other. Agreeing a common attitude is thus a precondition for opening these discussions.

I do not expect any immediate results but, as I go to this summit meeting, I am reasonably optimistic and fairly confident - the more so since talking to my Luxembourg colleagues.

(Le Républicain Lorrain, 4 November 1969; Le Monde, 5 November 1969)

Germany

1. European aspects in Government Statement of Federal Chancellor Brandt

When the new Bundestag held its first plenary session on 28 October 1969, Chancellor Brandt delivered his Government Statement which dealt in detail with all the current political issues, the main emphasis being on domestic and foreign policy, defence and security, and the German question.

On European affairs, the special importance of the forthcoming meeting of the Six in The Hague was underlined. This could determine whether Europe was going to take a bold step forward with the interrelated development, consolidation and enlargement of the Community, or to run into a dangerous crisis. The peoples of Europe were waiting impatiently for the statesmen concerned to combine the logic of history with a determination to succeed.

Concord between France and Germany could be the decisive factor. The Federal Government was ready to endow the close treaty links with an indissoluble character that would serve as an example of the kind of relationship that was today possible between European partners.

The enlargement of the European Communities had to come. They needed the United Kingdom and the other applicant States. In the concert of European voices that of Britain could on no account be excluded if Europe was not itself to suffer. It had been noted with satisfaction that the forces that really counted in British politics remained convinced that Britain too needed Europe. It was high time to start up the process - certainly difficult and presumably also time-consuming - that would finally put the Community on a broader basis.

The Federal Government would do what it could to get the Community to seek out new forms of economic co-operation with European States unable or unwilling to join it.

The Government Statement made only a brief reference to agricultural policy. Only DM 3,400m were still available in the 1969 budget for the national agricultural policy, and according to official estimates there will be only DM 2,700m in 1970. According to the evidence available to the Minister for Agriculture this would by no means suffice. Expenditure on EEC market organizations - in future to be shown separately - would be DM 1,400m higher in 1970 than previously estimated.

Speaking for the Opposition in the ensuing debate, Mr. Barzel, CDU/CSU Chairman, said that a united free Europe was the basis for the peaceful

existence of all on the European continent. The course plotted in the Rome Treaties ought to be followed right to the end. German policy should therefore not be forced to choose between consolidating and enlarging the Communities but ought to pursue these objectives simultaneously.

The forthcoming meeting of the Heads of Government of the Six should not confine itself to dealing with matters connected with the consolidation of the Community, giving the green light for negotiations on entry and finding ways of co-operating with neutral States. Once and for all it must decide on political co-operation in accordance with fixed rules. 'On 22 August Federal Chancellor Kiesinger discussed with us his views on this subject. We endorsed these views and published them, and we are abiding by them : "A start must be made on the road to a European political Community only then will Europe become what the world expects it to be - a factor for stability and peace, able to help the peoples of Asia, Africa and Latin America on the road to development with its economic assistance, its know-how and experience." This Europe must be open to all and strive for co-operation and a settlement with Europeans in the central and eastern parts of our continent.'

Dr. Kiesinger, the former Chancellor, deplored the lack of the slightest allusion to a politically united Europe in the Government Statement. Apart from his references to consolidating and enlarging the EEC, Chancellor Brandt had brought forward his old demand that the peoples of Europe should develop a common international political will. Dr. Kiesinger described this as only a stimulus, only an immediate first step towards achieving what had been jointly agreed upon for years; namely, the creation of a European Union, whether on federal or confederal lines. The aim of European unification was still a European Federal State, and here Mr. Brandt should provide further details. It was not enough to agree with one's European friends; it was now more necessary than ever to do one's utmost, hand in hand with them, to start up the process of European unification, too long merely a theme for Sunday speeches. For this purpose new and elaborate institutions were not needed; a few additional facilities would be enough.

The agricultural part of the debate was opened by Mr. Höcherl (CSU), former Food Minister, who spoke of the pathetically meagre contribution made to agricultural policy by the Government Statement which contained only a string of platitudes.

Mr. Ertl, the Food Minister, retorted that Dr. Kiesinger's Government Statement had said not a word about agriculture.

He promised to work for a Europe of partners in which advantages and disadvantages would be shared equally. But anyone who made a sacred cow of market regulation would be doing Europe no good.

Mr. Ertl tried to convince the Opposition member that the new Government had defended the German standpoint firmly and successfully at the recent Luxembourg talks on compensation for German farmers following DM-revaluation. This was something which even the Opposition could not deny. The job he had had to do in Luxembourg had been tougher than any faced by a previous Federal Food Minister. He countered criticisms of the revaluation by saying that under those circumstances the majority in the previous Government ought to have come out against the freeing of the rate of exchange. He would be only too willing to insist, in talks with his EEC partners, on the introduction of equalization levies at the borders to protect German farmers, if the Parliament called on him to do so. He went on to make a case for common economic and monetary policies, without which the EEC would suffer.

(Bundestag 5th, 6th and 7th sessions, 28, 29, 30 October 1969;
Die Welt, 29 and 31 October 1969;
Frankfurter Allgemeine Zeitung, 29, 30, 31 October 1969;
Handelsblatt, 29 October and 1 November 1969;
Bulletin of the Press and Information Service of the Federal Government,
No. 133, 4 November 1969)

2. Federal Foreign Minister Scheel on the urgent need for an economic and monetary union

Speaking at Question Time in the Bundestag on 6 November 1969 on the subject of the forthcoming summit meeting of the Six, Mr. Scheel announced that the Government would press for a decisive step towards an economic and monetary union, without which he felt that the Community could not be a success. The summit meeting would have to establish a political objective : otherwise there would be difficult times ahead for Europe.

He rejected the suggestion of Professor Hallstein (CDU) that a definite time-limit - 1 January 1975 - should be fixed for establishing economic and monetary union. Professor Hallstein said that the Minister had been merely stating the obvious; the essential was to decide in principle on a deadline. Mr. Scheel considered that would be unwise. But he felt it should be possible to fix time-limits for the negotiations on the enlargement of the Community, on which it was important to make a start. His visit to Paris should demonstrate that the Federal Government regarded Franco-German relations as the basis for European development.

According to the FDP, two conclusions can be drawn from the statements made by Mr. Scheel in the Bundestag on West European policy : the Government was determined to work for the success of the EEC summit meeting but would no longer be satisfied with high-flown orations about Europe.

In its party bulletin the FDP describes the situation in the EEC as critical. For all practical purposes the common agricultural market had ceased to exist since France had withdrawn from this integration area. The agricultural market had so far been the only real prop for EEC policy. Eura-
tom too was going through a serious crisis because it had proved impossible to agree on a research programme.

Political union was nowhere in sight, and economic and monetary union was still a long way off. France continued to insist that consolidation should come before enlargement. The British public had become alarmingly indifferent about joining. Moreover, contrary to all expectations, France had still not returned to the West European Union.

(Frankfurter Allgemeine Zeitung, 7 November 1969;
Die Welt, 8 November 1969)

Italy

Mr. Colombo, Italian Minister of the Treasury, on relaunching the EEC

On 30 October, on the occasion of the award of the 'Europe 1969' prize by the leading five economic journals in Europe and the Union of European Economic and Financial Press, Mr. Colombo made a wide-ranging speech on the prospects for uniting Europe. He recalled that the principles of supranationality, democratization and gradualism had not been adequately followed in recent years and went on to say :

'Today the political will to make any concession of national sovereignty to supranational institutions has grown feeble. Anyone who is aware of what is going on in Europe today grasps the urgent need for popular control over the unification process already started, a control that can only be exercised through a parliament elected by direct universal suffrage.'

With regard to gradualism, the Minister stated that it was necessary carefully to delineate a series of finalization phases with the firm determination to give life to common institutions. At the forthcoming summit meeting in The Hague, the governments had to solve various problems : the agricultural problem, the entry of the United Kingdom, consolidating the institutions, the introduction of common policies for trade, technology and monetary affairs, but they would, above all, have to tackle the overriding political issue and reach agreement about the future of European unification, laying down the course to be followed and the ends to be achieved. It was therefore essential to broaden discussions about the European setup as soon as possible and as a matter of urgency, taking them on from the necessary political and diplomatic talks to a thorough and effective democratic debate.

'In this respect the decision on the election of the Parliament by direct universal suffrage must have priority.' The Minister added : 'There are those who today propose a three-point plan : completion, consolidation and enlargement. If this is a synthesis to serve as a guide to all the work that has to be done, we are in agreement. If this means taking up unsettled controversies, we are ready to discuss them. But if, with this three-point plan, the idea is simply to utter some kind of magic formula which is supposed to cover a series of phases, then we are bound to say with deep conviction that we do not agree at all. Reality calls for a major decision about the will to go forward together which comes before the discussion of the vast issues synthesized in this plan, all of which should be discussed because the time for discussing them has come.'

(Il Sole - 24 Ore, 31 October 1969)

Netherlands

1. General political and financial analysis of the budget for 1970 in the Second Chamber

a. Democratization

In the debate on the budget for 1970 Dr. Den Uyl, Group Chairman of the Labour Party, laid stress on the need for democratization in the various sectors of society and particularly in the universities, the boroughs, the cultural organizations and above all, in business concerns as well as in the European Communities :

'I should like to state quite clearly that the uncontrolled assumption of power in the EEC is becoming increasingly unacceptable every day. On this point we are glad to have the co-operation of the European trade unions. We want European parties and a genuine European Parliament. I say this now because the time-limit of 1 January will be decisive in many respects. Our view is - and this point is dealt with at length in the Westerterp motion - there will be no final phase without the Community's having its own resources; no endowment of the Community with its own resources without real powers for the European Parliament or without the participation of the national Parliaments. This means that we are asking Mr. Luns to make it clear, at the summit meeting in The Hague in mid-November that there can be no question of entering into the final phase of the EEC on 1 January without the support of the Dutch Parliament and that this will not be forthcoming unless the conditions it has laid down on widening the powers of the European Parliament are fulfilled.'

Mr. Schmelzer (Catholic People's Party) and Mr. Wiebenga (Pacifist Socialist Party) also laid emphasis in their speeches on democratic control.

Mr. De Jong, Prime Minister, said that he shared these views. Pursuant to Article 201 of the Treaty, the Dutch Parliament had to give its approval to the creation of the Community's own resources. This meant that the ultimate question in the Dutch view was whether such a regulation would include satisfactory arrangements for strengthening the position of the European Parliament; this was a point which the Dutch Parliament would have to decide about.

Mr. De Jong agreed there was a certain danger that if there were no balanced development in the Community, the member States would try to work out their own solutions to national problems. It was well known that the Government was sharply critical of the lack of parliamentary participation in the decision-taking processes of the Community. The solution to these problems had to be sought in a strengthening of the institutions and pursuing the aims set out in the Treaty.

'I agree with the MPs who expressed the hope that it will not be necessary to make a choice between the three points under discussion : the completion, strengthening and enlargement of the European Communities. Here it goes without saying that strengthening the democratic structure is also an important point for the Dutch Government. But I am in favour of making an attempt to achieve simultaneous progress on these three points. The Government considers this the only way to give a new impetus to European integration.'

b. Monetary co-operation

Mr. Biesheuvel (Anti-Revolutionary Party) took the Government to task for regarding monetary co-operation in the EEC as nothing more than a finishing touch. Monetary co-operation, he said, should go hand in hand with developments in other fields. In reply, Mr. Witteveen, Finance Minister, said : 'What needs to be made quite clear is that real, thorough-going monetary co-operation, leading to a monetary union or to a situation of fixed exchange rates, coupled with the unrestricted provision of credit can only be envisaged as the final stage of a complete integration process. Such a credit policy is, in my view, only really conceivable if there is a wide measure of integration in the social, economic and budgetary fields so that some two-way control is possible.'

(Second Chamber, 1969-1970 Session. Debate on the budget for 1970, 14 and 16 October 1969)

2. Mr. Luns in favour of taking a fresh look at the second Fouchet Plan

Interviewed by 'L'Aurore', Mr. Luns, Dutch Foreign Minister, stated : 'There is only one thing Europe can do and that is to achieve greater unity, firstly within the Common Market and secondly outside it in an enlarged Community, through the entry of new members.' He was convinced that the

conference in The Hague would be a success but he did not expect any 'dramatic decisions'. Mr. Luns wanted European political union and favoured taking a fresh look at the ideas set out in the second Fouchet Plan.

In London, where he gave strong support to the British application to join the EEC, he repeated that his Government was still solidly in favour of the second Fouchet Plan, drawn up in 1962; the only condition was that an article should be added to the effect that the Community would try, as from a given date, to develop political co-operation in integration terms.

In The Hague, in reply to the criticisms and concern expressed by Mr. Den Uyl, Socialist Party leader in the Second Chamber and to the European Movement in the Netherlands, which was disturbed about the possibility of the Fouchet Plan's being revived, Mr. Luns said : 'For some years now, the Dutch Government has felt that if Britain joins the Common Market, we shall have to accept political co-operation more or less along the lines of the second Fouchet Plan. None the less, we feel that we must give a new lease of life to principles of supranational co-operation and European integration.'

(L'Aurore, 14 November 1969;
Combat, 21 November 1969;
Le Monde, 23-24 November 1969;
Combat, 22-23 November 1969)

II. ORGANIZATIONS AND GROUPINGS

1. The Union of Industries of the European Community

On 27 October the Union of Industries in the European Community passed a resolution relating to the summit conference.

'After the carrying into effect of the Customs Union, the removal of anomalies in other fields covered by the Treaty has slowed down disturbingly. The UNICE is thinking in particular of the delays incurred in connexion with the common trade policy, the re-adjustment of state monopolies, the free movement of capital, fiscal harmonization, transport policy and the common agricultural policy.

The UNICE further regrets the lack of any practical achievement at a time when the Council of Ministers has already taken decisions or laid down guidelines. This is the case, in particular, with the co-ordination of economic policies and monetary policies, the increasingly indispensable reform to rationalize Community agriculture, regional and structural policy, research policy, industrial and energy policies.

The UNICE is aware that a common policy in the above-mentioned fields implies an agreement on certain political ideas on the subject of the institutional structure of the Community. Indeed, an affective and democratic policy is impossible without :

- a) strict observance of the Treaty provisions concerning decisions taken on the Council of Ministers unanimously or by a qualified majority or by a simple majority;
- b) unreserved confirmation of the functions entrusted to the European Commission by the Treaty, and
- c) endowing the European Parliament with the powers that have become necessary because of the transfer of certain decision-taking functions from the national Governments to the Council of Ministers of the Communities.

The UNICE attaches great importance to the summit conference to be held in The Hague on 17 and 18 November 1969.

It expects it to yield clear and precise political commitments so that the Council of Ministers can rapidly take decisions about the completion, consolidation and enlargement of the Community. '

(Document released by the UNICE)

2. The European Confederation of Free Trade Unions in the Community and the European Organization of the World Labour Confederation

On the occasion of the summit meeting in The Hague, the European Confederation of Free Trade Unions in the Community and the European Organization of the World Labour Confederation jointly confirmed their main demands as regards European integration.

The Trade Union Movement expected the Heads of Governments :

- 1) to lay down a time-table and working methods for drawing up a list of priorities for a Community action programme by the end of the year.

This programme should at least involve :

- a) opening negotiations with the democratic applicant States and, first, the United Kingdom;
 - b) co-ordinating the economic, financial and monetary policies;
 - c) re-organizing the agricultural policy to reduce surpluses and introduce structural reforms;
 - d) laying down a genuine policy on technological research as the basis for an industrial policy of the future;
 - e) reshaping the European Social Fund as a practical step towards a Community social policy endowing the Community with its own resources subject to democratic control.
- 2) to reach an agreement on the broad outline of a political revival of Europe which should necessarily bear on :
 - a) the role of the Community in international affairs showing its outward-looking character and stating its responsibilities to the third world;

- b) the democratization of the Community decision-taking processes involving in particular a consolidation of the role of the European Parliament, confirmation of the principle of majority voting and the association of representatives of the fifteen million organized workers in the creation of the Europe of tomorrow.

(Document released on 7 November 1969 by the European Confederation of Free Trade Unions in the Community and by the European Organization of the World Labour Confederation)

III. EUROPEAN MOVEMENTS

1. The European Movement in the Netherlands holds a political conference

At a conference held in Leiden on 18 October 1969, the European Movement approved a short-term action programme in which it was stated that a European summit meeting would serve no useful purpose unless it paved the way for Europe to build a common future together and yielded practical decisions leading to :

a. A GENUINE ECONOMIC COMMUNITY, particularly through :

- the formulation of common economic and monetary policies, which were still a prerequisite for any lasting economic unification, in accordance with a strict time-schedule extending over a limited number of years;
- the formulation of a common trade policy which should take due account of the interests of the developing countries and which ensured a more purposeful and profitable handling of economic relations with the East European countries;
- the formulation of a common social policy hand in hand with the development of a common economic policy;
- the implementation of a common policy for the development of scientific research in technology and for the application to industry of the results achieved.

b. A DEMOCRATIC COMMUNITY, particularly through :

- the direct election of the European Parliament and, until this comes about the designation by the electors of the Dutch members of this Parliament;
- a right of participation for the European Parliament in the enactment of European legislation and in regard to the budget of the Communities;
- the repudiation of the 'agreement' of Luxembourg (1966) whereby the powers of the Commission were weakened and the right of veto of the Council of Ministers was upheld, contrary to the provisions of the Rome Treaty;
- the endowment of the Community with its own resources, on a sufficiently large scale to allow for the pursuit of all Community activities;

c. ENLARGEMENT OF THE COMMUNITY

through :

- opening the door for the early entry of Britain, Ireland, Denmark and Norway as full members of the European Community on their acceptance of all the obligations and aims set out in the European Treaties as the starting point for further progress towards political union.

(Information Bulletin of the European Movement No. 2785)

2. Manifesto of the Italian branch of the Council of European Local Authorities

At a meeting held in Rome on 28 October the Italian branch of the Council of the European Local Authorities published a 'Manifesto addressed to the forthcoming summit meeting in The Hague and particularly to the Italian Government' of which the following are the salient passages :

'Today, alongside the EEC's achievements and its encouragement of trends towards unity, we clearly have, as pointed out, a Community crisis in the stalemate and degradation suffered by its institutions; on the other hand, the emergence of a more open-minded government in France further reduces the plausibility of the old pretext of the other five, the basis of which was the inflexibility of General de Gaulle.

There are basic and enduring circumstances that make the ideal of a united Europe a burning issue and justify a federal strategy, as well as the existence of popular extra-governmental organizations, in waging the battle.

The conviction has grown in us that the last ounce of "semi-automatism" has been squeezed out of the EEC, and that not only real progress towards economic union but even the maintenance of customs union call for a common political will, for a leap forward of a different kind.'

The manifesto also stresses that without a common monetary policy, that is, without political unity, there can be no further economic integration. But its demands focus on the European Parliament and on the democratization of the Communities :

'The European Parliament could, with the support of European democratic movements, become the driving force behind the process of supranation-

al integration and political unification Meanwhile, we ask the Council of Ministers of the Community to cease acting arbitrarily as a diplomatic conference and to assume its role as a pre-federal senate.

We therefore look to the governments at the forthcoming summit meeting to enter into a definite commitment as to the proper functioning and revival of the two Community institutions destined to bring into being the future federal Parliament. The summit meeting must undertake to organize, within a predetermined period, European elections by direct universal suffrage as required by the Treaties of Paris and Rome. These could be held along the lines of the proposal originally made by the European Parliament (Dehousse Plan) or, with the prior agreement of the European Parliament, along more definite and up-to-date lines to be negotiated before the end of 1970 at another Messina Conference; it being clearly understood that such a conference must serve - on the basis of explicit or substantiated conclusions reached at the summit meeting - as a means of moving forward and not of subsequently evading the obligation to hold direct elections. We speak of moving forward because the election of the European Parliament must be accompanied by a satisfactory solution to the problem of an independent source of revenue for the Communities and a sweeping and timely increase in the powers of the Parliament.

We expect the elected European Parliament to be rapidly entrusted - or to be in a position legitimately to demand to be entrusted - with a mandate to draw up the European political Statute. In the meantime we ask that it should at once be empowered to frame a series of "outline" laws covering the process of economic integration and to exercise control, during its sessions, over whatever may in law or in fact cease to come within the competence or actual capacity of control of the national Parliaments.'

The manifesto concludes : 'We call upon the summit meeting to perform a definite act and commit itself to a conference for relaunching Europe based on a political clarification. This entails everything we have stressed with regard to the European Parliament, the democratization of the Communities, and respect for Community procedures. Clarification entails reconsidering matters in the light of present realities and of the inexorable ideals and political reasons underlying our desire for European unity.

We look forward with hope to this summit meeting, but if it fails we shall not regard this as a reason for inactivity or discouragement but rather as a reason for changing the terms of our struggle and for launching upon more incisive popular action.'

Speakers at the meeting included Mr. Corona, Vice-President of the European Parliament, Mr. Scarascia Mugnozza, Chairman of the Political Committee, Mr. Mitterdorfer, Mr. Giraud and Mr. Pintus.

(Manifesto of the Italian branch of the Council of European Local Authorities, 28 October 1969; Il Popolo, 29 October 1969)

3. Policy statement issued by the French Organization of the European Movement

The French Organization of the European Movement addressed a memorandum to the Six Governments of the EEC due to take part in the summit meeting in The Hague. It drew their attention to the 'imperative need to enlarge the Community and at the same time to bring about its economic completion.'

It called upon the Six to set up a European agency for technological development and a Community reserve fund as the first stage towards the establishment of a common currency.

It trusted that at a time of social uncertainty and university unrest the dialogue between the management and workers' organizations would develop at the national and European levels and that encouragement would be given to a wide-ranging harmonization of teaching methods and programmes.

The Organization also proposed that the Community should have its own budget.

(Le Monde, 31 October 1969)

4. The Steering Committee of the Luxembourg Council of the European Movement

The Steering Committee held a meeting in Luxembourg on 7 November and adopted a declaration which was handed to Mr. Pierre Werner, President of the Government, the next day.

This declaration urged the Heads of State or Government meeting in The Hague :

- (a) to act in accordance with the spirit of the Bonn Declaration of 18 July 1961 in taking a decision to bring about the political union of Europe in stages; in the years ahead this should culminate, in particular, in a common foreign policy and a common defence policy for the European Community within the framework of the North Atlantic Treaty Organization;
- (b) to enact the procedures whereby talks may be initiated in the months ahead with the countries that have manifested their intention to join the European Communities;
- (c) to give to the activities of the European Communities the fresh impetus which alone will enable them to enter into the final phase of the Common Market on the scheduled date.

With a view to passing on to the final phase, it is essential for the Community institutions to be able in the months ahead to begin the implementation of an action programme for the completion, consolidation and enlargement of the European Communities. Under this programme it should, in particular, be possible :

- (1) to implement forthwith a real common policy for economic and cyclical trade affairs, to secure stability and expansion and make it possible to settle the particularly serious problems which have arisen in the agricultural and monetary sectors;
- (2) the creation of a Community reserve fund which is the necessary condition for the establishment of a common monetary standard and, looking further ahead, of a common European currency;
- (3) to visualize, in regard to scientific and technological research, real effectiveness on the part of the Community taking the place of purely national initiatives which involve expenditure disproportionate to the financial capacities of each State;
- (4) to re-organize the common agricultural policy with a view to eliminating surpluses and improving the structures of agricultural enterprises;
- (5) to give greater effectiveness to the Community instruments for a policy deliberately directed towards improving living standards and in particular to bringing about a reform of the European Social Fund which must become a real Community tool for a policy of full employment;
- (6) to enable industrial enterprises to attain to truly European dimensions and thus strengthen their positions in the face of the competition from enterprises of other economic powers in the world;

- (7) to endow the Community with an independent budget and to give it its own resources which would, by increasing gradually, enable it to assume the burden not only of agriculture and development assistance but also of action on the scale of a programme of great European undertakings and investments;
- (8) to strengthen the powers of the European Parliament particularly in the budgetary field in accordance with its Resolution of 7 October 1969 and on the basis of the draft Convention submitted by the European Parliament in 1960 to implement the election of its members by direct universal suffrage.

The Steering Committee of the Luxembourg Council of the European Movement considers that one should never lose sight of the fact that the final goal is the construction of the United States of Europe endowed with a Parliament elected by direct universal suffrage and a federal Government; this is essential for a full implementation of the economic and political union of the European Community in keeping with the democratic traditions of Western Europe.

(Tageblatt, 12 November 1969;
Luxemburger Wort,
Républicain Lorrain, 13 November 1969)

5. Political statement by the Italian Council of the European Movement

Meeting in Rome on 7 November in anticipation of the summit meeting in The Hague, the Italian Council of the European Movement unanimously approved a political statement.

The following are extracts from this statement :

'Looking ahead to the forthcoming summit meeting in The Hague, the Italian Council of the European Movement wishes to raise the political problem of the Community again, for this is a basic prerequisite for achieving an appreciable intensification of the integration process through the agency of the existing institutions. An undertaking of this kind calls for a common determination on the part of the member States so as to confer on the European institutions the political responsibilities which they have in the past gradually been deprived of and which could be permanently jeopardized if summit meetings were to be institutionalized. This cannot be achieved with regard to Community problems alone however unless it is made clear what activities the united

Europe is going to be called on to take up in future on the wider international stage such as the solution of the German problem and the formulation of a common line regarding the proposed European security conference. '

'The summit meeting in The Hague will fail to achieve its purpose if it gets bogged down in pointless discussions that go on eternally about which should come first - the completion, political consolidation or geographical enlargement. These problems must be tackled and resolved together. Similarly the problems of financing the common agricultural policy and of Euratom must be studied in the context of a complete implementation of the "final system" provided for in the Treaties of Rome. '

'Practical evidence of a renewed political determination on the part of the member States will obviously find expression initially in decisions taken in The Hague on the common institutions, especially concerning their being endowed with their own resources and on a commensurate increase in the supranational powers of decision of the European Commission and the powers of control of the European Parliament. The Italian Council of the European Movement regards the direct election of the European Parliament as a paramount aim because this would once and for all impress the political parties, trade unions and organizations with a Community and supranational stamp thus changing the character of these political forces. '

(Il Popolo, 14 November 1969)

6. The Movement for the Independence of Europe states its position

On the eve of the summit meeting in The Hague, the Movement for the Independence of Europe submitted a report at a meeting of one of its Committees presided over by Mr. Michel de Grailly; this was approved by 40 prominent political figures, including 12 Gaullist MPs (Mr. Perroux, Mr. François Mauriac, Mr. Jean Charbonnel, Mr. Louis Vallon etc.).

This report stated inter alia : 'An independent Europe is not a dream but an objective the nebulous associations (the Europe of the Six, EFTA, the Nordic Market, the Iberian Association, COMECON, etc.) will disappear to give way to the solid and well-built groupings which will between them form the European system, a line or an organization of European nations totally independent of the blocs.

The weakness of the EEC lies in the fact that the debate between the Atlanticists and the Europeans in Europe is a long way from being solved : the weakness of EFTA lies in its geographic dispersal and it is only in so far as the European current prevails over the Atlantic current in the Western European system that it will be possible to begin the process leading to the independence of Europe and the objective achieved. '

The Movement for the Independence of Europe therefore considers it of capital importance :

- 1) for a definition of a foreign policy of the Europe of the Six to precede any consolidation of its structures;
- 2) for new members, particularly the United Kingdom, not to be admitted into the Common Market unless they subscribe to the fundamental aims of the foreign policy defined in this way;
- 3) for the admission of the United Kingdom (which would be desirable under these conditions) to be simultaneously counter-balanced by that of Spain or Austria, which are countries of a specifically European character;
- 4) for the admission of the new States into the Common Market to be preceded by an agreement on security and co-operation between the EEC and COMECON.

The Movement considers it desirable to consolidate the structures of the Europe of the Six This consolidation will only be justified in so far as the "European feeling" prevails over the "Atlantic feeling" in each country. The definition or the specification of a policy of independence should determine each new step towards the consolidation of the internal links of the Community.

In the short term the Movement is in favour of :

- 1) the introduction of more effective co-ordination procedures between the Six and the creation of 'executive committees' responsible for implementing decisions taken from time to time by responsible ministers of the Six countries meeting on a council of powers, a council for economies, a council for defence and a council for foreign affairs. It will, of course, still be necessary to maintain the principle of unanimity on these councils;
- 2) setting up 'control committees on non-European activities' whether these be political, economic, financial or cultural;
- 3) setting up 'standing joint committees' modelled on the Franco-Soviet committees with a view to a periodic analysis and discussion of common prob-

lems between the Six on the one hand and the United Kingdom, Spain, the Scandinavian countries, the Arab States and the United States of America on the other;

- 4) the gradual unification of the Europe of the Six in respect of taxation, currency, credit, mercantile law and communications. The Movement for the Independence of Europe believes that the policy followed in the West and the direction taken by the Europe of the Six will, to a large extent, determine the attitude of the powers that be in the East European countries.

The construction of an independent Western Europe is a capital factor in the development of the "total" Europe.'

After outlining the problem of Western Europe and that of European security, the Movement expressed the hope that any hegemonies would be eliminated.

'If Britain, as it is now, were prematurely to be admitted into the EEC, as it is now, the influence of the Atlantic Parties within the Community would, as a result, be dangerously enhanced.

The path of European independence must, before going through the final phase of eliminating hegemonies, go through a phase of concerting the authentic European national forces of the West of the continent on the one hand and of the National Leninist Parties of the East (including the USSR) on the other.'

(Le Monde, 16-17 November 1969)

7. Policy statement issued by the European Federalist Movement

In anticipation of the summit meeting in The Hague Mr. Etienne Hirsch addressed a letter, on behalf of the European Federalist Movement (of which he is President), to the Prime Ministers and Foreign Ministers of the six member States and to the President of the French Republic. In his letter Mr. Hirsch outlined the Movement's proposals regarding European policy.

The Movement would like the Council of the European Communities to give the European Commission a mandate to begin negotiations with the United Kingdom and the other States that have applied for membership of the Community. The European Commission would be the sole spokesman for the Six in the same way as it was at the Kennedy Round.

A final regulation for financing the common agricultural policy should be adopted before the end of 1969. By that date too the Six would begin the first phase of their monetary co-operation on the basis of the 'Barre Plan'. For 1969 the Movement advocated the adoption of the principle of the Commission's having its own resources and of the election of the members of the European Parliament by direct universal suffrage.

The creation of the European University in Florence and the implementation of the other proposals of the Interim Committee for the European University should also take place in 1970.

Lastly, the Movement stressed the need for a conference of representatives of the Governments of the member States, the applicant States (after concluding an agreement with the latter) and for the Commission to be responsible for drawing up a treaty setting up a European Federation as between the participating States. The draft treaty would define the institutions, their method of designation, their competence and the transitional measures to be spread over a period not exceeding ten years.

(Le Soir, 22 November 1969)

8. The Council of European Local Authorities

Meeting during the session of the European Parliament in Strasbourg on 25 November 1969 the representatives of the local authorities published a manifesto relating to the summit meeting in The Hague. They stated in particular : 'At a historical moment on the eve of the summit meeting in The Hague the representatives of one hundred thousand European Local Authorities wish, through the agency of the Council of European Local Authorities, to make a serious policy statement in favour of the unification of Europe. They wish to assure the European Parliament of their unreserved support in its efforts to induce the Governments to impart a decisive impetus to uniting Europe.'

It seems to them to be essential to apply Article 138 of the Rome Treaty so that the members of the European Parliament may be elected by direct universal suffrage and ensure a true representation of the peoples. This would demonstrate that Europe has gained more ground in the minds of the people than in the plans of the Governments.

This democratic election must be coupled with an extension of the powers of the European Parliament through their voting on the budget of Communities endowed with their own resources and exercising control over the action of an independent political authority of the member States and being answerable to it.

At the same time the Six must bring the transitional period to an end by applying in full the procedures laid down in the Treaty and carrying through the common policies including the adoption of a final statement on financing the agricultural policy. They must in particular consolidate their integration in the fields of the social, industrial, cyclical, energy, technology, legal and fiscal policies and be endowed with machinery to strengthen their solidarity enabling them to end up with a common currency which will be an irreversible token of their sharing a common future.

This will pave the way for the introduction of a political Community which will gradually have to assume responsibility for diplomacy, defence and a common cultural policy.

(Document released by the Council of European Local Authorities)

IV. POLITICAL PARTIES

1. Speaking for the Democratic Centre Mr. Lecanuet makes proposals for consolidating the united Europe

'France is today awakening disturbed from a dream which has too long been fostered by the illusions of a narrow nationalist policy', stated Mr. Jean Lecanuet, President of the Democratic Centre at a press conference in the Palais d'Orsay on 27 November.

'The summit meeting in The Hague will give France a key responsibility, he added. It cannot be a failure nor even a semi-success which achieves no more than the postponement of decisions, nor can it be a continuation of the "wait-and-see" which spells out an unreal survival of the Community. It must be the point of departure for a policy for unifying Europe. We want to be independent. The means to this end must be procured. There will only be real independence on the basis of power in the field of competition and there will only be real power for France in the unification of the free Europe.

Far from coming undone in integration it is there that France will find its strength.'

Mr. Lecanuet then announced the broad outlines of a document on the consolidation of a united Europe. As regards the economic Europe, this paper deals particularly with :

- a) the realization of a single market operating as a national market for industrial and agricultural products;
- b) the harmonization of production conditions and in particular the social and fiscal ones;
- c) the common policies for agriculture, transport and energy.

The most urgent tasks in the economic field were, he said :

- 1) the creation of a common 'gold and currency' reserve fund as a first stage towards a European currency;
- 2) a Community policy for science, technology and industry for the purpose of a development strategy;

- 3) an overhaul of the European Social Fund whose function will be to ensure that there is an active and human employment policy so that the changes taking place in Europe will not lead to worse imbalances between regions or occupational categories.

Regarding political Europe the document added : 'We must set our course towards the United States of Europe. This Union could have the form of a multilateral federal Community of a new kind.

We do not expect the impossible from the summit meeting. It will not be able to settle all the problems in the short time available. But we have the right to expect a genuine revival of European policy, a statement of a determination to lay down a programme and a method giving details as to time and an agreement on opening negotiations with the United Kingdom. '

(Le Monde, 29 November 1969; Combat, 28 November 1969)

2. Prior to the conference in The Hague, the Socialist Parties of the Six countries of the Common Market 'sound a note of warning'

Meeting in Strasbourg, the Liaison Bureau of the Socialist Parties of the Six countries (Belgian Socialist Party, Italian Socialist Party, the Unitary Socialist Party of Italy, the Luxembourg Socialist Labour Party, the Labour Party of the Netherlands, the German Social Democrat Party and the French Socialist Party) called for a positive outcome to the summit meeting in The Hague.

The Socialist Parties noted the extent of the Community crisis which was liable to jeopardize all the progress made in the last ten years and urgently called for 'a new political impetus' which could avert the growing threat to the common enterprise.

They felt that this threat to the 'economic union which has remained at the embryo stage' came from the disparity between the economic and monetary development of the Six member States, from the stagnation of integration in the various Community spheres, the re-emergence of nationalist reflexes and the disaggregation of the common agricultural market. The Socialist MPs said that the Community had not succeeded in marrying economic integration with the rising living standards.

This is why the Socialist Parties of the European Community expect the Heads of State or Government, meeting in The Hague on 1 and 2 December 1969, to make a declaration of their common political will forthwith to promote European integration in every sphere where progress is vital :

- 1) it would be desirable to pave the way for the opening of negotiations with the European States willing and able to join the European Communities as soon as possible. The Community must be ready to establish special economic relations with all the European States that cannot join the Community;
- 2) the political structures of the European Community must be consolidated. The budgetary powers and the participation of the European Parliament in the Community legislative process must be consolidated. It would be desirable to elect the European Parliament by direct universal suffrage. The decision-taking processes on the Council of Ministers must once again and without restriction be brought into line with the provisions of the Treaties. The executive power of the Commission must be consolidated;
- 3) within the framework of the Community, which would be enlarged through the accession of the United Kingdom, it is necessary to introduce new procedures for closer co-ordination of the foreign and defence policies of the member States which would help to strengthen the influence of the Community in Europe and in the world through a common policy in the service of peace, détente and the well-being of all peoples. The co-operation of the institutions of the European Communities in this policy and control over them by the European Parliament must be guaranteed;
- 4) increased political confidence must enable the Community bodies to take the decisions without which it would appear impossible to develop the Community into an economic union characterized by growing prosperity, expansion and stability. Failing any consolidation of economic union and notably of our monetary solidarity, the completion of the transitional period of the Common Market on the scheduled date could be called into question.

(Courrier socialist européen, 28 November 1969)

3. Statement by the European Union of Christian Democrats

The Bureau of the European Union of Christian Democrats discussed on 28 November 1969 in Rome the summit conference which was to be held at The Hague. At the close of the debate a communiqué was issued :

URGING

1. that the resolve to pursue the aim of European unification be supported by practical, precise and unequivocal decisions and that these be carried into effect in 1970;
2. that the Community be completed (a) by decisions to be taken before the end of the year regarding the agricultural financing regulation, (b) by the implementation of an agricultural market organization and (c) by a precise action programme in respect of industry, monetary matters and scientific research. This programme should make it possible to pass on to the final stage of the Common Market within the agreed period of time;
3. that the Communities be strengthened and made more democratic as their value was clearly indicated in the Treaties and in the proposals put forward by the Commission for :
 - a) fully implementing the Treaty provisions on the operation and powers of the Community institutions;
 - b) strengthening the budgetary powers of the European Parliament, in accordance with the Resolution of 7 October 1969;
 - c) the direct election of members of the European Parliament in the near future.
4. that in addition to the strengthening and completion of the Communities, these be enlarged by admitting European States desirous of joining on the basis of the Rome Treaties, and that an immediate decision be taken for the opening of official negotiations with the applicant countries; these negotiations should be conducted by the European Commission.

As long as Europe is not definitely on the path to political unification and as long as a United States of Europe has not been created, the nations of Europe will not be in a position to play their full part in international affairs. This is why it is imperative that the next conference at The Hague should lay down the basis for economic and political union.

(Press communiqué of the European Union of Christian Democrats,
28 November 1969)

V. COMMUNITY INSTITUTIONS

Aide Mémoire to the Commission of the European Communities for the Conference of Heads of State or Government

The Commission is looking forward to the Conference of Heads of State or Government.

It is due to take place at a time when the transitional period of the Community is coming to an end, when its enlargement is again entering an active phase and when recent difficulties in connexion with agricultural and monetary matters have made a deep impression on public opinion outside the Community.

It is therefore essential that the conference be entirely successful and give fresh impetus to the 'construction' of Europe in the light of decisions to be taken by the Community institutions.

1. At a time when there is growing concern about the present state of the Community, the Commission considers it necessary to remind public opinion that despite numerous difficulties important practical results have been achieved in the course of the last few years, i. e. setting up the customs union, introducing the common agricultural policy, the marked economic expansion, raising the standard of living, the active aid policy in respect of associated States and the growing authority of the Community on the international scene.
2. In order that the results achieved up to date, in particular in respect of the customs union and the common agricultural market, should not subsequently be jeopardized it is essential for the Heads of State or Government to state their resolve to pursue the setting up of a true Community, i. e. to complete the customs union by the introduction of an economic and monetary union in the course of the next few years.

For this purpose, the Council and the Commission should be invited to fix as soon as possible the stages leading to the fulfilment of this objective and to indicate the action required over the next five years, especially with regard to common economic and monetary policies and the industrial and technological development of the Community. Attention should also be given to social and regional measures to meet the changing situation.

3. Enlargement of the Community is an essential factor of European unification. The Commission, therefore, considers that the conference of Heads of State or Government should acknowledge the unanimous will to enlarge the Community.

The Commission hopes that the opinions it has put forward to the Council in 1967 and in 1969 may form a useful starting point for the forthcoming negotiations.

4. As recently stated in its Opinion of 1 October 1969, the Commission believes that the strengthening and enlarging of the Community should be pursued simultaneously. Strengthening involves, in addition to decisions to be reached by the end of this year, taking measures for advancing towards economic and monetary union and consolidating the institutions of the Community.
5. Strengthening the institutions of the Community has also become indispensable. As the Community develops, it requires stronger institutions to ensure its internal administration. It needs such institutions all the more as these would enable it to counteract the drawbacks of the heavier administrative machinery entailed by its enlargement. It is thus imperative not to wait for the institutional consolidation that may be envisaged when the Communities are merged and to restore the institutions to their normal function as provided for in the Treaties. It is also advisable that the democratic nature of the Community be increased and that the election of the European Parliament by direct universal suffrage be considered as soon as possible.
6. Lastly, the Commission hopes that the Conference will emphasize the essential political nature of the work pursued and that it will stress its resolve to further the idea of political union.
7. Important decisions are necessary in the immediate future for the current life of the Communities. The adoption of the guidelines advocated by the Commission would certainly contribute to this result. The Conference should therefore demonstrate the political resolve of the member States in ensuring that the institutions take the decisions referred to earlier on before the end of the year and that they adopt in particular the procedure for implementing economic policies, monetary co-operation, the pluriannual programme of Euratom, the financing of the common agricultural policy for the final period and the provisions for creating the Community's own resources and increasing the European Parliament's budgetary powers.

It should also express the political will of the member States that a date be fixed for opening negotiations on the enlargement of the Community.

The Commission particularly wishes to draw the attention of the Heads of State or Government to the foregoing. It is convinced that if the Conference achieves the proposed aims it will have contributed decisively to the unification of the European Continent. Its deliberations will also have considerable repercussions throughout Europe and the world.

Brussels, 19 November 1969

PART II

Government Statements at The Hague

Belgium

Belgian proposals on European monetary policy

At the summit meeting in The Hague, Mr. Eyskens, Belgian Prime Minister, put forward a 'three-stage plan for European monetary solidarity', stretching from 1971 to 1977.

The first stage would run from 1971 to 1973 and would focus on five points, three of which (A, C and D) are taken from the Barre Plan. The five points are as follows :

'A) Co-ordinating short and medium-term economic policies on the basis of Council decisions (possibly taken by a qualified majority); adopting for this purpose uniform rules for introducing national budgets (the Benelux model), and delegating powers to the Governments on fiscal measures and short-term trade and economic policy budgets (German law of 1967).

B) Adopting the rule already accepted in the Benelux group not to allow any variation in the official exchange rate vis-à-vis the Community countries, except by joint agreement (or on the basis of a Council decision taken by a qualified majority); reducing from 0.75 per cent to 0.50 per cent the fluctuation margin of currencies above and below their parity expressed in the currency of a partner country.

C) Mutual assistance through the implementation of an automatic short-term credit system for the benefit of countries which experience balance-of-payments difficulties when applying points A and B above.

D) Covering these short-term credits should the need arise by mutual medium-term assistance defined by the Council of Ministers by a qualified majority and involving a plan for restoring the balance where applicable.

E) Adopting a common EEC attitude, to be defined by the Council by a qualified majority on international monetary organizations.'

The second stage would run from 1973 to 1975 and focus on the following four points :

'A) Maintaining a basic convergence of the short- and medium-term policies of the member States of the Community; tight control over this convergence by the Community institutions.

B) Abolishing the 0.50 per cent margin of fluctuation of currencies above and below their parity, as expressed in the currency of a partner country. The result would be absolute parity for cash transactions and quotations standardized vis-à-vis the dollar.

C) Revision of the automatic short-term credits in the light of experience gained in the first stage.

D) Setting a common monetary value for each of the monetary areas of the Community, so that monetary values could be expressed in both national and Community terms; for example, all quotations in Belgian francs could easily be translated into European accounting units. The same would apply to the other currencies.'

The third stage would go from 1975 to 1977 and culminate in European monetary union. It would focus on two points :

'A) The adoption of a single European policy for short- and medium-term economic objectives. This policy would be defined under the authority of the Council by a qualified majority. It would be applied without exception in all member States.

B) The creation of a Community banking system similar to a federal reserve system, bringing together the central banks of the member countries. This federal system would be competent to deal with credits to the public authorities, credit policy (rates and organization) and the Community's exchange policy. It would operate under the control of the Council of Ministers acting by a qualified majority. No further change in the rate would be possible as between the member States and there would thus no longer be any risk of change in the Community for any form of internal transactions.'

(La Libre Belgique, 5 December 1969)

France

Mr. Pompidou's plan for strengthening the Community

The President of the Republic put forward a series of precise suggestions relating to economic and monetary affairs, technology, development, social security and political co-operation.

Economic co-operation

On this point Mr. Pompidou stated : 'We must do everything we can to co-ordinate our economic policies and we must organize systematic and regular meetings, say twice a year, of our Ministers for Financial and Economic Affairs to discuss the expansion of our economies and the harmonization of our economic growth.'

Mr. Pompidou went on to say that progress had indeed been achieved regarding patents, agreements, foreign investments and fiscal harmonization but, he said, 'these discussions between experts are not enough. We need a balance sheet which the European Commission could draw up and then political arbitration to lead to rapid decisions.'

Monetary co-operation

Mr. Pompidou said that he found the Barre Plan acceptable but 'we must go beyond this. We must first of all create a short-term support fund and envisage the possibility of medium-term support. We could also envisage the joint utilization of the special drawing rights which have just been created in compliance with procedures to be laid down.'

We must endeavour to have a common attitude on the International Monetary Fund in all circumstances, whereby we not only consult each other before meetings of the IMF but also have a single spokesman. If this should lead to a monetary policy the Europe of the Six and, even more so, the enlarged Europe will carry its full weight in international discussions.'

Technological co-operation

'The problem of Euratom, Mr. Pompidou said, is very difficult because we cannot succeed in reaching agreement even in regard to modest budgets. But, as a result of the latest proposals of the German Government, there is some hope. We can make progress on the immediate problems on this basis.'

'Beyond immediate problems, there were also essential projects in regard to which progress had to be made : the isotope separation factory, the breeder reactor programme, co-operation on the light water reactor and, outside the sphere of the atom, in the field of data processing and in building a large-scale European computer.'

Aid to the developing countries

'What would our partners think, said Mr. Pompidou, of a system of guarantees for private investments in all the underdeveloped countries to be underwritten by all Europeans together? On this subject there are certain Dutch and German procedures and there is also a World Bank project. We must show that Europe has a responsibility for opening up towards the developing countries. Such action by the Community will have even more value if the Community is enlarged. We must also offer the developing countries the means to participate in this system of collective guarantees which will demonstrate that they too are capable of assuming their responsibilities to attract investments in their countries.'

The common social policy

In the social context Mr. Pompidou stated : 'We must act together on social policy more than in the past and make better use of the European Social Fund provided for by the Treaty of Rome.'

Mr. Pompidou then observed that the ideas expressed by the European Commission on this subject were an excellent basis on which to work.

Political co-operation

'All the European action that we take helps our development but also enhances Europe's political status in the world for we must avoid cutting our-

selves off from the outside world, that is the USA, the countries of Europe that have not applied for membership and the East European countries. We absolutely must create a political climate. Europe must serve to create détente and to show our unity we must make special gestures, for example, bring about the free movement of individuals by abolishing all frontier controls.

The foreign ministers must meet to discuss foreign policy problems, the relations between Europe and the rest of the world, particularly the USA and the East European countries. To try to harmonize our respective policies it is essential to demonstrate our unity and our goodwill to reach agreement with those outside the Community.'

(Combat, 2 December 1969; Le Monde, 3 December 1969)

Germany

Federal Chancellor Brandt's speech at the summit meeting held at The Hague

Chancellor Brandt spoke at the summit meeting of the Six held at The Hague with a surprising frankness and incisiveness which largely set the tone for the discussions. He proposed that negotiations with the applicant States should open in the spring of 1970. He agreed, however, with President Pompidou, who had spoken before him, that such negotiations should not be allowed to hold up the internal development of the Community. The main object should be first of all to lay down guidelines for the Community's future which could then be laid before the applicant States. Once these guidelines had been embodied in legally binding decisions, they would have to be adopted by those States.

Mr. Brandt pressed for progress in the financing of agriculture. According to the published official text of his speech of which, in view of the brevity of President Pompidou's remarks, only about half was actually delivered, the Federal Chancellor stated : 'If France will today respond to our clear determination to consolidate and complete the Community, with the trust needed for its enlargement, this will arouse our satisfaction and approval.' Mr. Brandt proposed that the consolidation of the Community should go hand in hand with its enlargement in such a way that neither took precedence over the other but rather than each lent the other maximum support. 'I therefore suggest we tell the applicant States that we think it possible to begin negotiations in the spring of 1970.' All experience went to show that any further delay would simply paralyse the Community.

Yet talks had also to be held with States which could not consider full membership. Mr. Brandt proposed 'joint talks with applicant States and with those interested in other forms of co-operation' as soon as possible after the opening of negotiations for entry.

What was surprising was that Mr. Brandt made a practical proposal for stepping up co-operation in foreign affairs, going beyond the exchange of views customary in the EEC. The foreign ministers should be instructed to work out a plan for a step-by-step development of political co-operation between member States on the assumption that the Community would be enlarged. At present what was important was that there should be a wide measure of agreement on suitable topics for an all-European conference. It was to be hoped that the NATO Council would in the next few days make a constructive contribution in this direction.

In Mr. Brandt's prepared statement the Federal Government is said to be willing to proceed soberly and realistically, step-by-step along the road to economic and monetary union. A two-phase plan is put forward. In the first, short-term economic policies would be properly co-ordinated and quantitative objectives fixed for medium-term economic policy. In the second phase the economic and monetary union could be brought into being, the proposal being to set up a European reserve fund to which a certain part of the reserves could be transferred. The purpose would be to create an outward-looking and stable Community. The plan could be out next year.

The Chancellor was equally determined as to the need to keep Euratom going; the existence of the individual research centres should be guaranteed and their activities extended beyond the nuclear sphere.

The working procedure of the Council of Ministers ought to be tightened up, the powers of the European Parliament increased, and the Commission's terms of reference widened.

As President Pompidou had made no reference to the financing of agriculture, Mr. Brandt passed over the corresponding passages in his own text. In this it was stated that the Federal Government could only agree to finalizing financial arrangements if it were certain that discussions on the problem of surpluses would be started without delay and energetically pursued. 'Here the dual function so far performed by price must not be taboo. A practical system must be rapidly devised to enable us promptly to size up the extent of the commitments we have to enter into. Then the way would be open for a final settlement of the financial arrangements for agriculture. We now have to choose between a bold step forward and a dangerous crisis. The people of Europe look to their statesmen to set the will to succeed alongside the logic of history.'

(Frankfurter Allgemeine Zeitung, 9 December 1969)

Italy

Statement made at The Hague by Mr. Rumor, Italian Prime Minister

In the speech he made at the summit meeting at The Hague, Mr. Rumor, the Italian Prime Minister said : 'We consider that the logical scheme suggested by the French is a useful way of isolating individual issues in a complex of problems, the solution of which should ensure the revival and realization of the European idea. But we feel that the three features of the three-point plan must be looked at with due regard for the terms of the Treaty, not separately but from the point of view of their substantial political unity. It appears to us in fact that the solution we find to the problems of completing the Community cannot realistically be separated from the way we deal with the problems of consolidation and enlargement. We must seek and find a constructive harmony. This is certainly a difficult undertaking but one full of possibilities.'

Mr. Rumor stressed the more important problems of consolidation and added that, within the time-limit laid down by the Treaties and by the Community rules, the necessary measures for the internal development of the Community would have to be taken. These measures, of which Italy was in favour, would have to be the outcome of fairly-conducted negotiations which took into account the interests of the parties concerned so as to achieve a result that was as objective, and therefore as lasting, as possible. 'We must define the lines of subsequent integration to which we intend to commit our countries and also those other European States that wish to become part of the Community. We must adopt a practical approach to the problems of enlarging the Community in ways and according to a timetable that avoid uncertain prospects. In our opinion we cannot today confine our attention to preventing any slowing down in the operation of the Community system. More is needed : systematic economic and social integration.

In this connexion we are ready to support the approval of a financial regulation for the common agricultural policy, valid for the final period and based on a fair sharing of the burdens imposed on the economies of the member States, together with a measure of restraint on such agricultural sectors as wine and tobacco, for which there is not yet any market organization, and the reform of the Social Fund. The Euratom programme stretching over a period of years should secure the future of European co-operation in the nuclear field and safeguard the Joint Centre.'

On the problem of enlargement Mr. Rumor stated : 'We consider it essential without delay to make clear our determination to impart a sharp thrust to the measures needed for expanding the Community to include countries that have applied for membership. Of course the procedures, conditions and criteria must be agreed on between the Six by reference to the spirit and letter of the Treaty. But it is essential to dissociate this requirement - largely echoed by our general public which is making its pressure increasingly felt - from uncertainties as to time-limits and methods. In our opinion the end of the month of March would give us a reasonable period of time for the Six to work out the necessary provisions for conducting serious and positive negotiations. But this is a political objective which has to be attained.'

Stressing that an increasing number of authoritative voices were being raised in each of the Six countries to the effect that the Community, with all its existing resources and those likely to be available to it in the future, should be made subject to a Parliament elected by the peoples. Not to endow the Community with political institutions would be to fail to satisfy the demands of the peoples and of those outside Europe whose eyes were upon it.

Mr. Rumor then dealt with relations between East and West and concluded that part of his speech by observing that to achieve a genuine détente and a stable and lasting peace Western Europe had to be able to put forward its views as a united continent on a problem of vital interest to it.

(Il Popolo, 2 December 1969)

Luxembourg

The monetary policy and increasing the powers of the European Parliament : the main points of a statement made in The Hague by Mr. Pierre Werner

At the session of the summit meeting held on Tuesday, 2 December 1969, Mr. Pierre Werner, President of the Luxembourg Government, put forward a series of proposals on economic and monetary policy and on the powers of the European Parliament.

With reference to monetary integration and with a view to a co-ordinated cyclical policy, Mr. Pierre Werner stressed the need 'for a certain monetary discipline of a Community character.' Taking this point a little further, he added : 'Recent monetary occurrences which threw the agricultural policy into confusion prove that the economic and monetary policy is an indivisible whole. This is why my delegation proposes drawing up a programme which would give greater emphasis to our determination to progress in this field, which has both political and economic implications

It is not for a meeting such as ours to spell out the technical development of this programme for a monetary union over a period. There are various suggested approaches which vary in their degree of boldness.

But if we are to have a European reserve currency at the end of these developments, we cannot fail to pass through the following intermediate phases :

- consolidating the machinery for final mutual consultations regarding operations subject to prior consultation;
- organizing a more elaborate system of reciprocal drawing on the basis of the Barre proposal;
- maintaining almost fixed rates of exchange through the use of appropriate intervention machinery;
- changes in rates of exchange subject to the procedures of Community approval;

- adopting the accounting unit given in the Treaty as the common denominator for transactions between the Six, setting up a European monetary co-operation fund for the management of mutual assistance operations and monetary credits granted by the Community to third countries. Joint management of the special drawing rights on the International Monetary Fund in regard to which our Community could have a common attitude;
- merging the quotas on the International Monetary Fund.

Mr. Pierre Werner also emphasized increasing the powers of the European Parliament; these powers were closely linked to the election of its members by direct universal suffrage. 'As regards the election to the European Parliament by direct suffrage, provision could be made for a transitional period during which some of its members would be elected by direct universal suffrage, whereas the other members would continue to be designated by the national Parliaments.

During this period the powers of the European Parliament would gradually be increased.' This would be in three stages.

During the first stage the Parliament would have the power of decision on its own budget. In the second stage the Parliament would be entrusted with the power of decision on the Community tax. Lastly, its powers would be increased by enhancing the importance and the nature of the powers of consultation entrusted to the Parliament by the Treaties. In this spirit the Council would consult the Parliament a second time if it intended to deviate appreciably from its first Opinion.

(Le Républicain Lorrain, 4 December 1969)

Netherlands

Report of the Dutch Government to the States General on the progress and outcome of the conference of Heads of State or Government

At the request of the Second Chamber, the Government published a report on the summit meeting. As regards the first four paragraphs of the communiqué, the Government explained that these would have been expressed in far more practical terms had this depended on the Netherlands. The ideas that had been put forward, notably on economic and monetary policy, showed that the member States were ready to pursue integration in the various fields.

a) Completion

As regards the points to be settled in pursuance of the EEC Treaty before the end of the transitional period, the only point discussed was the new financial regulations. The Dutch expressed their willingness to reach a settlement for the final period as soon as possible but this must be subject to certain general conditions, namely a reasonable sharing of burdens and a form of own resources which could be adjusted to cover the necessary expenditure. The financing was to a large extent only a reflection of the agricultural policy pursued and this needed to be balanced and reasonable. The Dutch laid great emphasis on the absolute necessity of coupling the creation of the Community's own resources with wider powers for the European Parliament.

All the delegations were unreservedly willing to go on to the final phase in the EEC Treaty in the following year. They were also ready to finalize the financial regulation before then although it was generally recognized that this could not easily be implemented in so short a period.

The Dutch and Italian request that reference should be made in the communiqué to a reasonable sharing of burdens was acceded to in so far as the phrase 'a consideration of all the interests involved' was used. This (less explicit) clause gives sufficient support for upholding the Dutch wishes at the talks in Brussels.

The need to arrive at a better organization of the agricultural market as soon as possible and at a limitation of the financial burdens of the agricultural policy, was generally accepted and this found expression in the communiqué.

It was very gratifying that France should, for the first time in the history of the EEC, have stated that it was ready to co-operate in increasing the budgetary powers of the European Parliament. It was clear that a further effort would still have to be made to translate the basic main agreement into practical terms and it was generally recognized that the Parliament would have to have powers in other fields, besides that of the budget, as the Communities developed further. But the first step had been taken and would certainly strengthen the position of the Parliament.

Far less satisfactory was the outcome of the discussion on the direct election of the Parliament. In spite of the endeavours on many sides it had not been possible to go beyond a vague statement in the communiqué that the work of the Council on this subject would be continued.

b) Consolidation

This expression originated on the French side and covered further developing and widening the scope of the activities of the Community. This had been more generally referred to as 'strengthening', the point being to strengthen the institutional structure of the Communities.

Under (a) the reference was simply to the position of the Parliament. The Netherlands called for a recognition and strengthening of the independent status of the European institutions and for full use of all the possibilities offered by the Treaties in the institutional field to enable the Communities to function properly. It was not possible to ask that this indirect repudiation of the Luxembourg Agreement be included in the communiqué. Yet it should not be assumed that recourse to the unanimity principle established in Luxembourg would be permanent. Actual practice might well change this.

As regards the further development and widening of the scope of the Communities' activities, the Chairman had explained in his introduction that the Netherlands was ready to carry the integration process over into other fields and to go as far with economic integration in a greater Europe as to take a decisive step towards political union.

The ideas of the various delegation leaders on this point were encouraging. In particular there was a general willingness to take co-operation on economic and monetary policy much further than provided for in the EEC Treaty for implementing the economic union and to achieve monetary union. This was noted with great interest; obviously monetary union was contingent on the introduction of the social and economic policies and, in this respect, political union had come a stage nearer.

Technological co-operation was discussed only in general terms. Apart from the fact that the Heads of State or Government spoke in the communiqué of 'reaffirming their willingness' to promote the activities of the Community in this field, it should be pointed out that the current procedure for implementing the Aigrain Report should be acted upon. It was to be hoped that this declaration of willingness would impart a new impetus.

The passage in the communiqué relating to Euratom should have come under 'completion' given that this was a field where the Council had for a long time lagged behind in implementing a European treaty. The Chairman pressed for an effort to draw up a programme. The statement of the French President gave rise to some hope for France was ready to co-operate with such a programme. The idea of a 'modern industrial enterprise' (referred to in the communiqué) came from Germany and deserved further study. The passage on the European university and the reform of the Social Fund contained few practical points to latch on to.

c) Enlargement

It was clear, right from the beginning of the summit meeting that its success would depend to a large extent on the question of being able to take a practical decision on the opening of negotiations with the applicant States. To begin with, France did not seem to be in a position to make any general - i.e. very positive - statement of its willingness to open the negotiations although most of the other delegations including the Netherlands were quite firm on this point. The result finally achieved, especially in the light of the course the meeting took in view of France's attitude, was regarded as very important. The six Governments not only stated in the communiqué that the preparatory work between the Six could go forward as quickly as possible in the most positive spirit but also they agreed on a formula regarding the actual date, which the Chairman reported as follows :

'All the delegations agreed that the various questions dealt with in the communiqué relating to the preparatory work for entry should be resolved before the beginning of negotiations with the United Kingdom and the other applicant States and decided upon in the first half of 1970. This means before 30 June. The negotiations with the applicant States should then begin directly.'

The talks between the Six on the common line they are to adopt at the negotiations were bound to be difficult. One guarantee was that they would not last longer than was strictly necessary - in accordance with the terms quoted above - subject to the restriction that the preparatory work must be 'indispensable' to establishing a common basis for negotiations. In this connexion it should be pointed out that it was explained, regarding a passage in the communiqué on agricultural financing, that the 'final' character of the financial

regulations was subject to the restriction that adjustments could still be made for new members. All the member States were convinced that the entry of the United Kingdom and the application of the common agricultural policy with its financial commitments should not constitute an intolerable burden for the British balance of payments. Although the principles of the regulation would remain unchanged, there was still the possibility of setting a ceiling on the financial burdens involved.

As regards the other EFTA countries with whom talks were to be held as soon as the negotiations with the applicant States opened, it could happen that the former experienced serious difficulties as a result of the entry in the EEC of EFTA members.

d) Political unification

Before 1 July 1970, that is, in all probability once the entry negotiations had started, the foreign ministers of the Six were to put forward proposals for progress in the field of political unification. The studies would be conducted with one eye on the enlargement of the Communities which the Netherlands took to mean that any decisions could be taken jointly with the applicant States. From the statements made by various delegations it emerged that 'political unification' meant primarily co-operation on foreign policy. On the Dutch side, the aim was to give this greater substance by adding 'on the basis of the European Communities'.

(Government Report to the States General on the course and outcome of the meeting of Heads of State or Government in The Hague on 1 and 2 December, 1969-1970 Session, Doc. 10448)

Final communiqué of the Conference of Heads of State and Government on
1 and 2 December 1969 at The Hague

1. On the initiative of the Government of the French Republic and at the invitation of the Netherlands Government, the Heads of State or Government and the Ministers for Foreign Affairs of the member States of the European Communities met at The Hague on December 1 and 2, 1969. The Commission of the European Communities was invited to participate in the work of the conference on the second day.

2. Now that the Common Market is about to enter upon its final stage, they considered that it was the duty of those who bear the highest political responsibility in each of the member States to draw up a balance-sheet of the work already accomplished, to show their determination to continue it and to define the broad lines for the future.

3. Looking back on the road that has been traversed, and finding that never before have independent States pushed their co-operation further, they were unanimous in their opinion that by reason of the progress made, the Community has now arrived at a turning point in its history. Over and above the technical and legal sides of the problems involved, the expiry of the transitional period at the end of the year has, therefore, acquired major political significance. Entry upon the final stage of the Common Market not only means confirming the irreversible nature of the work accomplished by the Communities, but also means paving the way for a united Europe capable of assuming its responsibilities in the world of tomorrow and of making a contribution commensurate with its traditions and its mission.

4. The Heads of State or Government therefore wish to reaffirm their belief in the political objectives which give the Community its meaning and purport, their determination to carry their undertaking through to the end, and their confidence in the final success of their efforts. Indeed, they have a common conviction that a Europe composed of States which, in spite of their different national characteristics, are united in their essential interests, assured of its internal cohesion, true to its friendly relations with outside countries, conscious of the role it has to play in promoting the relaxation of international tension and the rapprochement among all peoples, and first and foremost among those of the entire European continent, is indispensable if a mainspring of development, progress and culture, world equilibrium and peace is to be preserved.

The European Communities remain the original nucleus from which European unity has been developed and intensified. The entry of other countries of this continent to the Communities - in accordance with the provisions of the

Treaties of Rome - would undoubtedly help the Communities to grow to dimensions more in conformity with the present state of world economy and technology.

The creation of a special relationship with other European States which have expressed a desire to that effect would also contribute to this end. A development such as this would enable Europe to remain faithful to its traditions of being open to the world and increase its efforts on behalf of developing countries.

5. As regards the completion of the Communities, the Heads of State or Government reaffirmed the will of their Governments to pass from the transitional period to the final stage of the European Community and, accordingly, to lay down a definitive financial arrangement for the common agricultural policy by the end of 1969.

They agreed progressively to replace, within the framework of this financial arrangement, the contributions of member countries by their own resources, taking into account all the interests concerned, with the object of achieving in due course the integral financing of the Communities' budgets in accordance with the procedure provided for in Article 201 of the Treaty establishing the EEC and of strengthening the budgetary powers of the European Parliament. The problem of the method of direct elections is still being studied by the Council of Ministers.

6. They asked the Governments to continue without delay, within the Council, the efforts already made to ensure a better control of the market by a policy of agricultural production making it possible to limit budgetary charges.

7. The acceptance of a financial arrangement for the final stage does not exclude its adaptation by unanimous vote, in particular in the light of an enlarged Community and on condition that the principles of this arrangement are not infringed.

8. They reaffirmed their readiness to further the more rapid progress of the later development needed to strengthen the Community and promote its development into an economic union. They are of the opinion that the integration process should result in a Community of stability and growth. To this end they agreed that within the Council, on the basis of the memorandum presented by the Commission on February 12 1969, and in close collaboration with the latter, a plan in stages should be worked out during 1970 with a view to the creation of an economic and monetary union. The development of monetary cooperation should depend on the harmonization of economic policies.

They agreed to arrange for the investigation of the possibility of setting up a European Reserve Fund in which a joint economic and monetary policy would have to result.

9. As regards the technological activity of the Community they reaffirmed their readiness to continue more intensively the activities of the Community with a view to co-ordinating and promoting industrial research and development in the principal sectors concerned, in particular by means of common programmes, and supply the financial means for the purpose.

10. They further agreed on the necessity of making fresh efforts to work out in the near future a research programme for the European Atomic Energy Community designed in accordance with the exigencies of modern industrial management, and making it possible to ensure the most effective use of the common research centre.

11. They reaffirmed their interest in the establishment of a European university.

12. The Heads of State or Government acknowledge the desirability of reforming the Social Fund, within the framework of a closely concerted social policy.

13. They reaffirmed their agreement on the principle of the enlargement of the Community, as provided by Article 237 of the Treaty of Rome.

In so far as the applicant States accept the Treaties and their political finality, the decisions taken since the entry into force of the Treaties and the options made in the sphere of development, the Heads of State or Government have indicated their agreement to the opening of negotiations between the Community on the one hand and the applicant States on the other.

They agreed that the essential preparatory work could be undertaken as soon as practically and conveniently possible. By common consent, the preparations would take place in a most positive spirit.

14. As soon as negotiations with the applicant countries have been opened, discussion will be started with such other EFTA members as may request them on their position in relation to the EEC.

15. They agreed to instruct the Ministers for Foreign Affairs to study the best way of achieving progress in the matter of political unification, within the context of enlargement. The Ministers would be expected to report before the end of July 1970.

16. All the creative activities and the actions conducive to European growth decided upon here will be assured of a better future if the younger generation is closely associated with them. The Governments are resolved to endorse this and the Communities will make provision for it.