

Address, delivered at the opening session of the 3 day Conference, organised by the London Chamber of Commerce, on the practical implications for British industry and commerce of joining the "Common Market", by Dr. J. Linthorst Homan, Chief Representative in the United Kingdom of the Commission of the European Communities, Tuesday, February 2, 1971.

I.- Introductory remark

Greatly honoured by the invitation to pronounce the "keynote address" to this three-day Conference, I gladly accepted the suggestion that I should say a few words about "The EEC and the world economy". Although it will be unavoidable for me to go into some basic elements of the process of European integration, I will try to avoid invasion of the specific fields of the other speakers.

II.- Some basic elements

Let me say just a few words on the central idea of common responsibility; on the steady extension of the tasks to be fulfilled in common; and on the interplay between internal and external factors¹⁾.

IIa.- Common responsibility

The target of Monnet and Schuman was a strong Europe able to make constructive contributions to peaceful relations in the world. Their approach was a cautious one, beginning with only two sectors of socio-economic life - coal and steel. Their essential instrument was an institutionalised common responsibility.

Now, twenty years later, we can confirm that this way of going about the modernisation of our structures has been a useful one, especially since the EEC extended the common endeavours over a wide realm of socio-economic policy. It was only natural that between six countries with different natures, with different histories, and with different habits, there have been, and there are, divergences of view on many a problem. But much more important

x) Footnotes refer to some literature in the English language, but only some literature; it would be impossible to give full lists.

has been the fact that their mutual cohesion has become such that there is a growing sense of common purpose.

I Ib- The extension of the common tasks

It is as yet too early for the Six to replace their three Treaties, on the ECSC, the EEC and Euratom, by a new, comprehensive treaty of a more directly political character. Let us hope that during the 1970's this can be done by an enlarged Community.

The main lesson of the experiences of the Six has been that they need an overall approach to their problems. The days of a sector approach are far behind them, although evidently each sector asks for expert handling. Even the EEC Treaty has been bypassed by new needs. The programme of this Conference shows how many things are necessary on which the Spaak Report of 1956 and the EEC Treaty itself were both too reserved. Real socio-economic union demands more than what was given in the 1950's.

The further needs have been spelled out by the Summit Conference of the Six at The Hague at the end of 1969.

I Ic.- Interaction between internal and external problems

The Spaak Report itself stressed the interplay between internal and external problems. The united national economies of the Six ought to become strong enough to reduce protection, to lower external tariffs, and to come to arrangements with third countries, which could go further than the member countries would have been able to do on their own.

The preamble of the EEC Treaty refers to the progressive abolition of restrictions on international trade, ^{of} the solidarity which binds Europe and overseas countries, and ^{of} the principles of the Charter of the United Nations.

I hope this Conference bears in mind how difficult is the combination of the two tasks of a new multinational Community. Like the lessons of sociology have made clear in general, in this particular case too the new group found itself subject to two kinds of tensions. There were the tensions within the group. And there were the tensions between the group and the outside world.

This means, by definition - the point is a classical one - that there are always new points on which a political choice has to be made, priorities to be accorded. As Professor John Mitchell of Edinburgh University once said "International organisations cannot burst forth in full perfection like Aphrodite". In other words, the EEC had to find its way, and had to build up its place and role, gradually, in the context of its member countries and of the family of nations and international organisations.

This is not so easy as some critics seem to think. From our side we should, however, be grateful for these criticisms. They fulfil the role of an external conscience, and it is always useful to look at one's endeavours from the outside. There always are "beyond's", as, for instance, "Beyond the nation state", "Beyond the welfare state", "Beyond the European Community", and others²⁾. We need not share the convictions thus expressed in order to be grateful for the fact that they are expressed.

III.- Regionalism and functionalism

The EEC is both regional and functional. Regional because it covers the area of a group of countries. Functional because it does not cover all aspects of policy.

As you might know, there is some discussion about the question whether the EEC should stress its regional side, and become a more and more comprehensive Community, or its functional one, and leave certain functions to other organisations³⁾.

The regionalists hope for one centre of common decisions for all problems for which common decisions are needed. The functionalists see it otherwise. They hope that each specific function, each specific problem, should have an organisation according to its geographical needs, and for each of these organisations to have a centre of decision of its own.

This, however, is putting it in black and white. It would be wrong to think that the two views are in absolute contrast the one to the other. This is not the case. The functionalists can accept regional organisations looking after various functions, provided each single function is well looked after. And the regionalists understand very well that one cannot come, in one gigantic step, from a loose network of states to a fully-grown regional

Community. And, much more important still, especially for my subject today, the regionalists, where they hope for a world organised in regions, feel the paramount need of functional arrangements between the areas of the world⁴⁾.

Personally, I am a convinced regionalist. I do not very well see how we can hope ever to have a strongly coherent Western Europe without, first, open interplay between all sectors of socio-economic life within the same organisation; secondly, without one comprehensive system of Law guiding the evolution; thirdly, without one overall policy under democratic supervision and supervision as to Law. And finally I do not see how Western Europe could have a real political say in the matters of mankind if it were to consist of a network of functional arrangements and organisations.

Is it necessary to add that a regionally organised Western Europe - and one day, maybe, an organised Europe - does not mean that traditional ties are broken up between the countries concerned and their special relations the world over? Socio-economic and political integration of Western Europe will certainly mean some commercial changes but, for instance, the other countries of the Commonwealth will gain advantages from a strengthening of Britain's position in Europe, just as did the other countries of the French commonwealth after the strengthening of France's economy through its membership of the EEC.

IV.- The EEC and the world economy

Our view on the world economy should be taken from a standpoint of change. It is impossible to try to improve structures and situations while wanting to keep things as they are.

IVa.- The world economy

Let me remind you of some of the most striking figures concerning the world economy.

Our colossal task regarding the developing countries are clear when we look at the differences in gross national product per head of population between various parts of the world. Whereas in 1968 for the

US the figure was more than US\$ 4380, for the EEC it was \$2055, for Latin America less than \$500, for the African and Asian countries less than \$250.

In 1969 the value of world exports ran into a figure of about 270 billion dollars. Of these 270 billion the US provides 38 billion dollars' worth, EFTA over 36 billion, while - including its own intra-member trade - the EEC provided nearly 76 billion dollars' worth. A European Community of Ten would account for more than 1/3 of the world's exports, so that it would be by far the greatest exporter of the world. As it is, the present Community of Six is the greatest importer and exporter in the world - the trade between the member states excluded.

But trade alone cannot bring about the fundamental improvements the world needs. We need a healthy monetary system, a strong framework of international Law, many world-wide functional measures and arrangements. And each part of the world needs a lot more than that.

It would be utopian to assume that mankind will ever be able to make a completely new start. The improvements we need must be implemented in a complex of fast-changing facts.

We often speak of the ideal of world-wide specialisation of production, so that each part of the world would produce what it can better produce than anything else, and better than others can. But we all understand that this theoretical ideal will never become a reality, and even that it should not. Producers and consumers alike cannot be made completely dependent on absolute specialisation. They would fall victim to risks of nature, to catastrophes, to political risks, and, more important still, each region needs a diversified economy, both for economic and for social and sociological reasons. This means, by definition, that there will always be some national or regional protection of new initiatives in their first stages.

In other words, when we discuss the world economy we cannot speak in terms of absolute values, but only in terms of relative advantages and disadvantages.

Whoever follows, from nearby, the evolution of the EEC, will see how the European Commission is hard at it to try to get things streamlined

to come to an overall strategic policy.

In this respect every year of the later 1960's, and especially the years 1969 and 1970 showed some improvement. The import side of the common trade policy of the EEC is taking shape, and the export side is being streamlined by common rules for credit insurance and for other important matters⁶⁾.

Let us now look, against this background, at some of the most important problems: the liberalisation of industrial trade, the problem of temperate zone agricultural trade, the North-South relations, the East-West relations, and some other points⁷⁾. This is, I hope, a more practical approach than the one which would consist of an analysis of the attitudes of the EEC in the main international functional organisations, such as the GATT, the FAO, the UNCTAD, the ILO, the Economic Commission for Europe of the UN at Geneva, the OECD, and other ones.

IVb.- The customs union of the EEC

In their judgment on the external tariffs of the EEC's customs union critics mostly take it for granted that this union now has lower tariffs than have the UK and the US, as an average. They often forget that the customs union includes two countries, France and Italy, which before had been protectionist in their trade policy. They also often forget that the gradual decrease of the EEC tariffs since they were set up in 1958, was not only due to the Dillon Round and Kennedy Round negotiations, but also to unilateral decisions. This decrease is a major demonstration of the success of the modernisation of the industrial structures of the EEC.

Let us now look at some trade figures.

When we put the value of total world exports in 1958 at 100, the figure of the end of 1969 was 251.

Taking the external trade of the Six, their mutual trade excepted, as an index of 100 in 1958, their joint exports at the end of 1969 stood at 247, and their joint imports at 243; their external trade alone increased only slightly less than did world trade.

In the meantime, again taking 1958 as 100, their mutual trade reached the 530's by 1969. In other words, there was a large divergence of trade, and, as we saw, also a creation of trade⁸⁾.

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In fact, the EEC is a trading Community, and its enlargement to include Great Britain, Ireland, Denmark and Norway would strengthen this character. In 1968 the EEC exported about 16.9% of its GNP, compared to 3.9% for the US. This means that its interest in liberal world trade policies is enormous.

As for the breakdown of the EEC's external trade, 57% of its imports come from industrialised countries, 36% from developing countries, and 7% from state trading countries. As for the EEC's exports the figures, again for 1969, were 65% to industrialised countries, 26% to developing countries, and 8% to state trading countries. In other terms, the EEC exports more to other industrialised countries than it buys from them, and it imports more from developing countries than it sells to them.

It is generally assumed that an enlarged EEC would continue the tendency of the existing EEC towards ever further liberalisation of Trade. In fact, industrial modernisation would get a new stimulant from the extension of the scale of EEC's economy, so that, after some years of a diversion of trade towards mutual trade between the ten member countries, the socio-economic situation of a Community of Ten would allow external trade to be extended. This assumption is strengthened by the fact that in the present EEC the GNP per head of population, between 1958 and 1968, increased by an average of 5.2% per year, as compared to 2.8% in the UK and 2.7% in the US. Since 1957, real gross Community product has increased by 95%, compared with 42% in the UK and 61% in the US.

IVc.- The economic union of the EEC

During the coming three days this Conference will be given many an address and many a speech on the most important issues of the economic union of the EEC.

The 'keynote' seems to me to be the cohesion, the interplay, between this wide range of problems and needs, the common evolution towards a modern socio-economic and legal structure. And one day a political European structure.

Although this Conference is concentrated on industry and commerce, it might be useful for me to say a few words on one of the most difficult problems: agriculture.

Great Britain has had the advantage of an early industrial revolution which cleared the field - often in the hard and cruel way of those early days - for the modernisation of its agriculture. Later, halfway the last century, Denmark had the courage to adapt its rural and agricultural pattern to changed circumstances. Later again, starting at the end of the XIXth century, The Netherlands went through a technical revolution in its agriculture which enabled it to face the new pattern of world trade. Most of the other countries of Western Europe, if they had an agricultural policy at all, which not many of them had, handled it by the manipulation of their imports. When the EEC started, in 1958, the Six were confronted with a very complicated situation indeed.

They decided to approach the problem by a common price policy without which free trade in agricultural products would not be possible. They felt this competition would stimulate restructuration. They gave these problems top priority, not only because internal political reasons made this necessary, but also because it was a fundamental need which would only get worse by postponement.

The general increase in the standard of living, and the steady evolution of industrialisation and of the modernisation of existing industries and of the services, made it possible for many people to leave the land for better paid activities. Their average number, between 1958 and now, has been over 500,000 a year. The percentage of agricultural population in the total active population fell, from 1958 to 1970, from 23 to 14, and if this trend continues, as everybody is convinced it will, it will be at 8 at the end of the 1970's. This is one of the very first conditions which had to be fulfilled.

But the prices, fixed for social and political reasons of the countries concerned, stimulated production in an unexpected way, and not all member countries were sufficiently constructive in their measures for technical restructuration. This is the reason why the European Commission keeps stressing the need of a common structural policy.

In the meantime the EEC proposed international discussions on the non-tariff barriers to international agricultural trade, but the response from other parts of the world was insufficient.

The EEC also feels the need for a series of international commodity arrangements, many of which are, or will be, rather difficult to extend the world over.

Much still has to be done in these fields.

It might be interesting to note that the balance of trade of the EEC, in agricultural products, is in deficit. This deficit was at 6.7 billion dollars in 1962, the year the EEC started its activities for common agricultural policy, and it was at 8.3 billion dollars at the end of 1969.

The overall problem is of such difficulty that the greatest part of the EEC budget, above 90%, has had to be concentrated on it. Expenditure on agriculture appears unlikely to decrease, in the 1970's, in absolute figures; for the historical reasons I mentioned so much has still to be done. But as the EEC, and especially an enlarged EEC, will extend its activities and its expenditure into other fields of economic and social policy, the relative percentage devoted to agriculture will gradually decrease.

V.- The EEC and developing countries

As for the developing countries, the Six, while continuing their aid contributions to others, concentrated much of their common effort on those countries with which some of them had long-standing special relations, just like Great Britain did with countries of the Commonwealth.

As soon as most of these developing countries had become sovereign states, negotiations between them and the Six led to a Treaty of Yaoundé, now in its second version, and to other arrangements. There also is a Treaty of Arusha with Kenya, Uganda and Tanzania, while a draft Treaty with Nigeria would need to be re-negotiated.

As things stand now in the negotiations on the enlargement of the European Communities, there is the hope that the Yaoundé pattern can be widened up to include many of the Commonwealth countries

The Yaoundé pattern consists of many measures, socio-economic ones, financial ones, technical ones, which notwithstanding their high importance, need not be discussed here, and of trade arrangements which boil down to a free-trade area with certain exceptions.

Therefore it is understandable that there are some worries, in these associated countries, as soon as the EEC wants to speed up this further decrease of the general tariff level of its customs union for the preference given to these developing countries is thereby reduced.

Furthermore, there is the important UNCTAD problem of a generalised scheme of tariff preferences for imports of manufactured products from all developing countries as accepted in October 1970. It is important for the third UNCTAD conference of 1972. But we should not forget that such generalised preferences on manufactured or semi-manufactured products will be to the advantage of those developing countries which already have a certain industrial pattern of their own, but will not help those who do not yet have such a pattern. And those are exactly the countries who need much help to diversify their economies.

There are objections, from the side of some industrial countries of the Western world, against the so-called reverse preferences, granted by the associated countries on the imports into those countries from the EEC. This is also a subject of international discussion.

In the meantime, exports from developing countries to the area of the Six increased, from 1958 to 1968, by an average of 6.3% per year, and the curve gets ever steeper. We should not forget that for overseas countries with longstanding relations with member-countries of the EEC - also of an enlarged EEC - it is of great importance that the economy of the EEC is an expanding one which makes it likely that the EEC becomes a better client than its individual countries were before.

At the end of 1969, as compared to 1958 at 100, the EEC's imports from developing countries stood at 208, and its exports to them at 167.

I think I should remind this Conference of the fact that it is not in the intention of the EEC to combine the entire aid programmes of its member-countries vis-à-vis the developing countries of the world. Some efforts should be combined, such as the general outline of association

policy and trade policy, and other matters of central importance. But each country remains free to have an additional policy of its own, such as, for instance, direct aid, investment etc.

As things are standing now, the percentage of the GNP of the EEC which, as an average, is given as aid to the developing parts of the world, is at slightly more than 1%.

VI.- The East-West relations

For an analysis of the role and tasks of the EEC in the complex of East-West relations some essential points should not be forgotten. Since 1947 the Kremlin has made it abundantly clear that it prevented countries under its 'influence' from participating in all-European endeavours for postwar recovery and for economic integration. The way the Kremlin acts in the COMECON is in line with that old standpoint. While Yugoslavia, in its special position outside the Eastbloc, came to ever more constructive arrangements with the EEC - there now is a joint Committee at ministerial level -, the countries of the Eastbloc are, with China, the major exceptions to the recognition of the EEC, by most countries of the world, as an international entity. And finally, but most importantly, the East-West problem is not confined to the territory of Europe, but expresses itself on each and every political scene in the world.

This means that the member countries of the EEC, and the EEC as such, face great tasks for the improvement of the East-West relations, and that their constructive results in this respect depend very much on their coherence, but that in the final analysis the problem is wider than a European one.

During the 1960's many an academic or comparable study-conference has been the meeting place for experts from both sides who wanted to make their creative contributions for better economic relations. Personally, I do not doubt that this has had a certain influence, but this influence, apparently, has not yet been decisive. Much more should be done in this respect¹⁰⁾.

In December 1979, the Council of Ministers of the EEC decided a substantial extension of the EEC's liberalisation list for East-West trade.

As to quantities, the years between 1953 and 1968 showed an increase in mutual trade between the member countries of COMECON, in their trade with the EEC, and in their trade with the UK, while their trade with China decreased. Expressed in percentages of the total trade of the countries of COMECON, the figures were the following: whereas in 1958 their mutual trade was just above 57%, it was well above 60% in 1968; their imports from the EEC rose from 8.8% to 11.7%, their exports to the EEC from 8.8% to 9.5%; their imports from the UK from 2.5% to 3.1%, their exports to the UK from 2.7% to 3%.

Over 1969 the trade with state trading countries represented 7% of EEC's imports, and 7.8% of its exports.

VII.- Atlantic relations

Constructive Atlantic relations are not only important for us because the US took a decisive part in our liberation in 1944-1945, and enabled us to get on our economic feet from 1947-1948 onwards, but also because together we are the nucleus of the Western world in its endeavours for peace and for the rule of Law.

We can understand why some Americans get impatient because European integration goes so slowly; Europa apparently did not elope with a bull but with a snail¹¹⁾. In a way we also understand why they get irritated because our views are not always the same as theirs, and our policies sometimes touch upon some of their trade interests.

But is there an alternative to Western European integration? I really do not see any alternative. A kind of Atlantic free trade area looks to me like a utopian idea, because already on the American side free trade between the US and Canada does not appear to be a realistic proposition, and between North America and the countries of Europe it could only be reached after many years of both American and European integration. I am convinced that Western Europe must have a socio-economic and a political identity of its own before such an idea is feasible¹²⁾.

This does not mean that we should not do many things in common: the OECD, including also Japan, demonstrates how much we can and should do in common.

What then are the present difficulties? They are twofold. They have to do with views on the structure of the world economy, and with American economic interests.

As to the structure of the world, many Americans are worried about the EEC's policies on trade preferences. This is an honourable standpoint, but it is just as honourable to take the view that the EEC should help, in a direct way, those developing countries it possibly can. Let us hope that this divergence of Atlantic opinions can be hammered out on the international scene, in GATT, UNCTAD, and so on.

As for American interests one can hardly say that up till now the EEC had not served both European and American interests at the same time. It was above all American investors who took full advantage of the EEC¹³⁾, even more than did European investors. It was to an important extent this economic expansion in the EEC which enabled the EEC's exports to the US, if we put them at 100 for 1958, to increase to 358 in 1969. True, during these years the EEC imports from the US only increased to 261, but this is much more than the average of the increase in world trade. And, moreover, the EEC is still running a major balance of trade deficit with the USA - of over 1.3 billion dollars in 1969. As for agricultural trade, the cause of many US complaints, the picture is the reverse one. The EEC imports of agricultural products from the US were at 1.3 billion dollars in 1962 - the year the EEC started on its road towards a common agricultural policy -, and in 1969 they reached to 1.6 billion dollars. The proportion of EEC's agricultural imports from the US, out of total agricultural imports, stayed at a fairly constant level, at about 20-22% up to 1969. As for the agricultural exports from the EEC to the US, they only ran to a figure of 381 million dollars, making a net deficit in the EEC's agricultural balance of trade of about 1.22 billion dollars in 1969.

In the meantime the US has not yet implemented the Kennedy Round agreements regarding abolition of the so-called American selling price system of tariffs on imports of some chemical products.

I can only repeat that one cannot have one's cake and eat it. If Western Europe is to be restructured, changes have to be accepted. Our friends should accept this fundamental fact.

VIII.- The EEC and other parts of the world

Assuming that you will understand that I cannot possibly discuss each part of the world in particular, I ask your permission to make some general remarks on some of them.

Starting with nearby regions, there is the problem of the countries around the Mediterranean.

It is understandable that the non-European countries of the Mediterranean, seeing how France and Italy are full members of the EEC, Greece and Turkey associated with it, and Spain on its way to special arrangements, got somewhat worried. In fact, many of their products are exported to Western Europe and could find themselves handicapped. Seen from the side of the EEC and its member-countries the Mediterranean countries form a very interesting area to which they would gladly give all the help they can, and which in its turn might become an ever more important trading partner.

Therefore, quite a few arrangements have already been accepted, and the European Commission recently set up a special Directorate for Mediterranean questions. 14)

With Latin America our relations are in a state of rapid change. It is essential to note how - especially from that side - there were fears about the preferences given to the overseas associates of the EEC, because some of the associated countries are producers of products the export of which is of great importance for countries in Latin America. Furthermore, we should bear in mind that in Latin America, as in Central America, there are endeavours towards regional arrangements and also in that respect they feel, for many reasons, very interested in the evolution of the EEC policy. 15)

Recently important steps have been made by the EEC for the improvement of trade with the 22 countries of the CECLA.

The constant contacts we have with Japan may one day lead to more common attitudes, between that country and the EEC, with regard to both bilateral relations and policies towards world-wide co-operation. Japan is economically strong, and very keen on the increase of its exports, but much

less keen on the liberalisation of its imports. From the side of the European Commission willingness has recently been expressed to study a kind of "orderly marketing", although this Japanese idea - from which I remember many a symptom from my years in the High Authority of the ECSC in the 1960's - is not yet very clear.

When we compare the latest trade figures between the EEC and Japan to the ones of 1958 - put at 100 - they were, at the end of 1969 at 532 for its exports to Japan, but at 760 for the EEC's imports¹⁶⁾.

As for Australia and New Zealand various points affecting trade are in negotiation at Brussels and we should wait for their outcome before we can - or at least I can - go into them in public.

The relations between an enlarged EEC and Hongkong are now under discussion at Brussels.

As for India and Sikkim trade between an enlarged EEC and these countries will substantially change, because their trade with the UK is more important than with the present EEC. Trade with the present EEC comprises 13% of the imports of India and Sikkim, and 8.1% of their exports.

For Pakistan trade with the present EEC comprises 18% of imports and 13% of exports.

IX.- Concluding remarks

In an annex to the written text of my address some figures are given concerning the percentages of ^{total} imports from the EEC and total exports to the EEC for the main countries and areas of the world. These are quotations from the "Opinion" of the European Commission, of October 1969, on the enlargement of the Communities of Six to Communities of Ten¹⁷⁾.

As for the position in the world, of a Community of Ten, it was then calculated that "enlargement of the Community would considerably enhance its position as a major world importer (38%). The expansion in the volume of its exports would be less (24%)."

Thus I can only repeat that, while the present EEC already has an important role to play on the scene of the world economy, the role of an enlarged Community will be a leading one.

Let me venture to hope that the results of the current negotiations will be accepted by your country.

A N N E X

The following are figures quoted from the "Opinion" of the European Commission on the quantities of trade of an enlarged EEC, given in October 1969. I quote the figures of 1967, which might be enough to give you an idea of the dimensions, although these figures are not up to date.

These figures are expressed in percentages of the external trade of a selection of non-member countries or areas:

<u>Countries or areas</u>	<u>Imports</u>	<u>Exports</u>
1. United States		
Present Community	18.7	13.8
Enlarged Community	26.4	27.6
2. Canada		
Present Community	4.9	6.1
Enlarged Community	10.8	19.1
3. Japan		
Present Community	5.6	5.2
Enlarged Community	8.3	10.7
4. Australia		
Present Community	10.9	13.1
Enlarged Community	29.6	28.4
5. New Zealand		
Present Community	6.9	11.8
Enlarged Community	36.3	64.5
6. South Africa		
Present Community	20.7	21.4
Enlarged Community	45.8	57.8
7. Eastern Europe		
Present Community	20.8	13.3
Enlarged Community	27.1	26.7
8. Developing countries		
Present Community	21.6	30.1
Enlarged Community	30.7	43.2

9. Latin America		
Present Community	22.3	26.3
Enlarged Community	30.7	38.8
10. Far East		
Present Community	10.6	11.3
Enlarged Community	18.1	22.2
11. Middle East		
Present Community	21.6	34.4
Enlarged Community	33.1	48.9

NOTES

1. For general descriptions cf. John Pinder and Roy Pryce, "Europe after De Gaulle, towards a United States of Europe", Penguin Books, 1969; Richard Mayne, "The recovery of Europe, from devastation to unity", London, 1970; cf. the Annual Reports of the European Commission, Brussels. For Britain and Europe cf. Uwe Kitzinger, "The second try, Labour and the EEC", Pergamon Press, 1968; Edward Wall, "Europe, unification and Law", Penguin Books, 1969; Brinkhorst - Mitchell, "European Law and Institutions", Edinburgh, 1969.
2. Ernst B. Haas, "Beyond the nation state, functionalism and international organization", Stanford, 1964; Gunnar Myrdall, "Beyond the welfare state", London, 1960; Frans A.M. Alting von Geusau, "Beyond the European Community", Leyden, 1969.
3. For the differences between regionalism, federalism, and functionalism cf. Paul Taylor, "The concept of Community and the European integration process" in Journal of Common Market Studies, Vol. 6, no. 2, p. 83; J. Linthorst Homan, "Which Europe?", in Journal of Common Market Studies, Vol. 9, no. 1, p. 67, with references to federal and functional literature; cf. also Miriam Camps, "What kind of Europe?" London-New York-Toronto, 1965; "Europe's futures, Europe's choices", Edited by Alastair Buchan, the Institute of Strategic Studies, London, 1969; David P. Calleo, "Europe's future, the grand alternatives", New York, 1965, and London, 1967; For functionalism cf. the works of Haas, Myrdall and Alting von Geusau, mentioned in note 2).
4. Cf. Sidney Dell, "Trade blocs and common markets", London, 1963.
5. Cf. J. Tinbergen, "International economic integration", Amsterdam-Brussels, 1965; J. Tinbergen "Shaping the world economy", The Twentieth Century Fund, New York, 1962.
6. Cf. the annual reports of the Commission of the European Communities, Brussels.
7. Cf. Gerard and Victoria Curzon, "Hidden barriers to international trade", Thames Essays, Trade Policy Research Centre, London, 1970;
8. Cf. J. Viner, "The customs union issue", New York-London, 1950; cf. the chapter on customs unions in Clement-Pfister-Rothwell, "Theoretical issues in international economics", London, 1967.
9. On the dynamism of the integration of the Six cf. the Statement made, on September 15, 1970, to the European Parliament, by the President of the European Community, Mr. Franco Maria Malfatti, available in English from the Press and Information Service of the European Communities, 23 Chesham Street, London S.W.1.; on the impact of modernisation in general, cf. C.E. Black, "The dynamics of modernization", New York-Evanston-London, 1967.

10. Cf. John P. de Gara, "Trade relations between the Common Market and the Eastern Bloc", College of Europe, Bruges, 1964; Statistical Bulletin of the European Commission (obtainable through UNISO), supplement 1969, no. 6; George Schofflin, "Enlargement: what the Soviet Union thinks", in "European Community", published by the Press and Information Service of the European Communities, 23 Chesham Street, London S.W.1, October, 1970; Michael Kaser, "Background to East-West trade", in "Progress", Vol. 54, Unilever, Blackfriars, London E.C.4, 1970.
11. Quoted from Denis de Rougemont, "Lettre ouverte aux européens", Editions Albert Michel, 1970.
12. Cf., with other conclusions than mine, Theodore Geiger, "Transatlantic relations in the prospect of an enlarged European Community", British-North America Committee, London, 1970.
13. Cf. Wasseman-Hultman-Moore, "The common market and American business", New York, 1964.
14. On the Mediterranean cf. D. Walwin Jones, "Moving Europe's frontier across the Mediterranean", in European Review, Spring 1970, and "European Community's" Mediterranean policy", in European Review Autumn 1970.
15. For details see "European Community", published by European Community Press and Information, January 1, 1971, English edition available from the Press and Information Service of the European Communities, 23 Chesham Street, London S.W.1.; cf. Celso Furtado, "Economic development of Latin America", Cambridge, 1970; Miguel S. Wionczek, "The rise and the decline of Latin American economic integration", in Journal of Common Market Studies, Vol. 9, no. 1, p. 49; cf. Philippe C. Schmitter, "Central American integration: spill-over, spill-around, or encapsulation?", in Journal of Common Market Studies, Vol. 9, no. 1, p.1.
16. For Japan cf. Leo Hollerman, "Japan's dependence on the world economy", Princeton, 1965; cf. "Europe and Japan, rivals or partners", in "European trends", The Economist Intelligence Unit, no. 25, London, November 1970, pp. 22-33.
17. Available, in English, at the Press and Information Service of the European Communities, 23 Chesham Street, London S.W.1.

P.S.

After this text had been delivered to the committee of the Conference, as I had been requested to do, the Member of the European Commission especially responsible for the foreign relations of the EEC, other than the problems of association and enlargement, Prof. Ralf Dahrendorf, gave a survey to the European Parliament at Luxembourg on January 19, 1971. This text will be made available to the Conference in English.