TENTH JOINT MEETING

of the Members of

THE CONSULTATIVE ASSEMBLY

OF THE COUNCIL OF EUROPE

and the Members of

THE EUROPEAN PARLIAMENT

OFFICIAL REPORT OF DEBATES

STRASBOURG

NOTE

This edition contains the original texts of the English speeches and translations of those delivered in other languages.

The latter are denoted by letters as follows:

(*G*) = speech delivered in German.

(*I*) = speech delivered in Italian.

(*N*) = speech delivered in Dutch.

(*F*) = speech delivered in French.

The original texts of these speeches will be found in the separate editions which are published for each language

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FIRST SITTING

TUESDAY, 17th SEPTEMBER 1963

IN THE CHAIR: Mr. PIERRE PFLIMLIN

President of the Consultative Assembly of the Council of Europe

The Sitting was opened at 3.10 p.m.

The Chairman (*F*). — The Sitting is open.

1. *Opening of the Joint Meeting*

The Chairman (*F*). — I declare open the Tenth Joint Meeting of the members of the Consultative Assembly of the Council of Europe and the members of the European Parliament.

Ladies and Gentlemen, the Chair was to have been taken this morning by Mr. Gaetano Martino, President of the European Parliament, but I am sorry to have to tell you that he has been called back to Italy owing to a family bereavement. We heard this news with great regret and we send Mr. Martino our deepest sympathy.

2. *Address by the Chairman*

The Chairman (*F*). — Ladies and Gentlemen, this meeting is taking place at a moment when we have to consider our institutions in retrospect and also look towards the future.

Let us begin by recalling the past.

This morning, in a temple of the faith from which he drew so much of his inspiration, we paid our tribute to Robert Schuman, remembering as we did so his great work—the creation of the Communities which form so large a part of the life of Europe. Tomorrow, in this very hall, we shall be celebrating the tenth anniversary of the signature of the European Convention on Human Rights, when we shall have laid the foundation stone of the future Palace of Human Rights. These two ceremonies will remind us that the original moves towards European unity were not made for the joint defence of economic interests, but for the joint promotion of certain principles. We wished to dedicate ourselves to the service of certain values which we regarded as being at once the glory and the justification of our common civilisation. With this in mind, we can look back along the road we have come, and see the progress we have made and the results we have achieved.

Very quickly, however, we are brought back to the crux of today's difficulties. Inside the Community, progress becomes daily more difficult as we find ourselves confronted by problems of a more and more fundamental nature. The advance towards a fully united free Europe has been checked and, not without anxiety, we observe the perpetuation of divisions which, though they may not affect our basic desire for unity, are such as to jeopardise our future prospects and perhaps even our past achievements. And today, when the future of European unification already gives us sufficient reason for concern, we have further to consider the world outside free Europe, where the march of history is gathering speed.

President Kennedy has offered us partnership—a great concept for the future of which we already have practical expression in the tariff negotiations which have opened and are to be pursued. Thus, even before Europe herself has achieved full unity, a new light is being thrown on her relations with the rest of the free world, and especially with North America. It is a call to us to make up our minds, to reach a common determination without which none of these problems can ever be solved.

At the same time, the Moscow agreement—reactions to which have certainly varied—has brought about a new situation in the East and fresh possibilities of a *détente*. It would appear that the original position has changed somewhat with the present rifts in the Communist camp. As Europeans, we have to ask ourselves whether, in view of all this, our own attitude needs modifying. The question arises whether one of the mainsprings of our unification—the awareness of a common peril—is not in danger of being affected by present developments.

In any case, we cannot ignore these developments. We must use them as the basis for re-assessing our views on the future—perhaps even for a re-examination of conscience.

Then, too, we have to think of the newly-developing countries, a subject the European Parliament was considering yesterday, when it approved the Agreement between the Economic Community and certain African States and Madagascar. Although the Agreement offers no more than a partial solution, it is nevertheless a useful contribution towards co-operation between Europe and the developing countries.

Our Joint Meeting is therefore taking place at a moment when we stand at the crossroads between past and future and must once again take stock of the position. We all know that no ready-made solutions can come out of our discussions but that is not to deny their very real value.

The debates will follow what has now become their traditional course. First, we shall be hearing a report on the

activities of the European Parliament, prepared especially for the members of the Consultative Assembly. As President of that Assembly, I should like to thank the European Parliament and, in particular, its distinguished *Rapporteur*, Mr. Biesheuvel, for his most valuable report. Since preparing it, Mr. Biesheuvel has been appointed to a government post and, much though we regret his departure, we offer him our sincere congratulations. Mr. Furler has kindly agreed to present the report in his place. We shall also be hearing the spokesman for the European Executives. It is a great privilege for the members of the Consultative Assembly to be able to hear reports of this kind. The debate that is to follow will be opened by Mr. Struye and I should like to suggest that, although it will naturally cover the group of problems dealt with in the various reports, it might also profitably centre on a single basic theme. The theme that has occurred to us is that of Atlantic partnership.

It is my hope, Ladies and Gentlemen, that we shall come out of this meeting not just with a fuller knowledge and better understanding of the problems facing us, but, above all, more stoutly resolved than ever to master our difficulties and press on towards our objectives until they are all finally attained.

This will be a dialogue between two organised Europes: the larger, which is that of the Council of Europe; the more highly organised, which is that of the Communities. Such dualism is inevitable and even, today, desirable. But we shall not be satisfied, we shall not feel we have truly accomplished our task, until these two Europes have been merged and the peoples of our own continent and of the whole world can see our desire for unity embodied in a single institution. (*Applause*).

3. *Order of Business*

The Chairman (*F*). — I would remind you that the current Rules of Procedure are those adopted on 29th June 1953.

The Bureaux of the two Assemblies have agreed on the following Order of Business:

This morning:

— Presentation of Mr. Biesheuvel's report on the activities of the European Parliament from 1st May 1962 to 30th April 1963 (Doc. 49);

May I remind you that after he had prepared his report, Mr. Biesheuvel was appointed to a post in the Dutch Government. His report will be presented by Mr. Furler.

— Statement by the Chairman of the Euratom Commission who will be represented by Mr. Sassen, a member of the Commission;

— Statement by the President of the High Authority of ECSC.

At 3 o'clock:

— Statement by the Chairman of the EEC Commission;

— Opening of the debate by Mr. Struye, Chairman and *Rapporteur* of the Consultative Assembly's Political Committee.

Tomorrow, Wednesday, at 10 o'clock:

— Resumed debate;

— Replies, if any, by the spokesmen for the Executives;

— Reply by the *Rapporteur* of the European Parliament.

Will any members who wish to speak in the debate please hand in their names to Room A.68 before five o'clock this afternoon.

4. *Activities of the European Parliament*

The Chairman (*F*). — The first item in the Orders of the Day is the presentation of Mr. Biesheuvel's report on the activities of the European Parliament from 1st May 1962 to 30th April 1963.

I call Mr. Furler who, as I have already explained, has kindly agreed to take Mr. Biesheuvel's place.

Mr. Furler (*Germany*) (*G.*) — Mr. President, Ladies and Gentlemen, the basis of this debate, whose purposes President Pflimlin has just outlined, will be the report on the work of the European Parliament over the past year. That document is designed to show you in what ways and with what ends in view the European Parliament has discharged its duties, handled European affairs and in so far as this lies in its power, advanced European policy.

You have the report by Mr. Biesheuvel before you. It consists of 120 printed pages. It is not my task to go into all the details: my only object is to lay the foundations for a discussion. We have agreed, I know, that we should mainly concentrate upon the effect of our activities on the coming Atlantic partnership. Nevertheless, I shall, of course, have to go into a few other problems for the simple reason that we cannot entirely disregard them. As I must report to you on the work of the European Parliament I shall have to discuss a few technical problems because the work of our Parliament stems from them. Often the most complicated political problems lie at the root of technical matters. We cannot properly fulfil our duty if we make only general declarations. Rather are we called upon to influence and control the policy of the Communities, and above all to co-operate in seeing that this policy is reshaped. But in doing so, we are concerned with details and these must at least be mentioned briefly here, so that you may grasp the significance of the Parliament's work in furthering European development.

Parliament controls the three Communities in the first place through the High Authority and the two Commissions. Its task, therefore, is to influence the policy of the Communities in its Committee meetings and Plenary Sessions, mainly by criticising and expressing an opinion on the general reports which each of the Communities submits to us every year.

That is precisely what we have done. As you can see from the details of the report before you, we have continually striven

to formulate, in the light of major political issues, an opinion on the activities of the Community, that is, of the Commissions, the Council of Ministers and Parliament itself. But the Presidents of the Community Executives will be reporting later on their activities themselves, and there is, therefore, no need for me to expatiate upon these. Our work has been particularly important in regard to what is termed the economic union, which our Community is building: that is to say, in framing the policy of increasingly close economic and social ties within the Common Market. Here we have concerned ourselves with the difficult question of competition policy, and have been consulted on various regulations which have since been issued. A competition policy directed against cartels is one of the determining principles of the Common Market, and therefore, naturally, merits our particular attention.

We have continually given our views—and this was of exceptional importance over the past year—on agricultural problems and co-operated in finding solutions. You are aware that our Community is developing a common agricultural policy, certain basic points of which have been established. Progress is being made step by step, and it is the subject of constant discussions between the Council of Ministers, the Commission and Parliament.

Now in all these tasks it often looks as though we deal too much with technical details. When Parliament gives its views on problems involving price policy for rice, beef, milk and milk products it looks as though we are concerned with secondary matters. But I would emphasise that it is precisely in these matters that fundamental decisions have to be taken. Parliament co-operates in taking these decisions and it is just this which makes its work in this field particularly important.

You all know how difficult it is not only to lay down the principles of a common agricultural policy for the European Economic Community, but particularly to work out all the details. Market regulations, national prices, the overall structure of the agricultural policy, all these problems have engaged our attention.

Prices, as you know, have a prominent role in highly political and practical matters. I do not need to particularise. You will find the rest in the report. I only felt it essential to remind you that our work is often of a very down-to-earth nature.

We have dealt with transport, energy and economic policies. We have also considered a very important problem which concerns the other European States too: the question of a currency policy. This matter, of course, lies at the very roots of our Community. Parliament realises that a common currency policy is not yet within our grasp, but it attaches great importance to making progress in this direction, to co-ordinating efforts and working out certain principles in order to prevent the Community from drifting apart on the currency question and to enable it to advance towards a common policy.

Such were the points to which Parliament gave its close attention. In the course of a year we rendered 37 opinions on a range of problems of both major and minor importance. In Committee meetings and Plenary Sessions we drew up constructive opinions on draft regulations and the various problems put to us, and later published them. This will give you some idea of the volume of our work. Seventy-three reports were drawn up and submitted by the Committees, and Parliament gave its opinion in 72 Resolutions.

Of course, I must admit there is a danger here that we would find it very difficult to fulfil our functions properly if we were overburdened. Personally, I do not think this will happen. It is up to us to organise our work by somewhat simplifying the whole process of consultation and concentrating our efforts in certain ways. But we cannot shirk these consultations. They are an important part of Parliament's work.

We have a controlling function to perform and must exercise real parliamentary powers, supervising, instigating, orientating the policy of the Community as carried out by the Executive Commissions and the High Authority. We all know what con-

sultation is and are all well aware that it is a very difficult procedure.

Basically, of course—and I am only putting this in very general terms—it is Parliament which should have the right to enact Community laws, since the national Parliaments have transferred their right of legislation in important fields to the Community. That right is not exercised by Parliament, however, but by the Council of Ministers which alone makes the laws.

Our role is to take part in consultation. What we say when we are consulted is not binding, however, upon the legislation. Nevertheless, we attempt to make our influence felt in legislation by using our political weight and constantly exerting intensive efforts. We are tending more and more to develop our right to be consulted because that is our only opportunity of having any influence upon the increasing volume of Community legislation for the six countries and any others who may yet join them.

It must be admitted, and I would emphasise to our colleagues in the Consultative Assembly who do not belong to the Community of Six, that, within this European Economic Community—and, of course, in the Coal and Steel Community and Euratom, but, above all, within the Economic Community—there is a growing body of law enacted, not by national Parliaments, but by the Community, a body of law which directly affects the lives of citizens of all the member countries. One has only to recall the agricultural regulations, anti-cartel laws, competition regulations and the future transport regulations. All these laws and regulations impinge directly upon the lives of ordinary citizens. The European Parliament is struggling to obtain definite powers so that we may not only play a consultative role but gain an increasingly effective influence. We need such powers, for we are convinced that effective parliamentary co-operation is indispensable to good European legislation.

So much for the more technical work of the European Parliament and the purposes which it is pursuing.

I shall now turn to a few important political problems which have particularly engaged the attention of Parliament over the past year. For the year ending 30th April 1963 was a most eventful, exciting and dramatic year, as all of you know from personal experience, and at all stages Parliament has sought to influence and advance European development.

The first important problem with which we were concerned over the whole year—with optimism at first but with complete resignation at the end—was the extension of the European Economic Community to embrace a greater Europe; not to mince matters, it was the question of Great Britain's accession.

It was particularly in 1962 that we held our most vigorous debates and Parliament as a whole at all times warmly advocated the extension of the Community.

But the problem did not involve accession alone—with the chief stress on Great Britain—but association too. Parliament and the Communities generally speaking wanted the association of those countries which were unable to accede, *i.e.* the Neutrals such as Switzerland, Austria and Sweden, and others.

Parliament drew up a series of principles to ensure the maximum degree of association whilst preventing such associations from hindering the overall development of the Community and thus diluting its strength. I consider that we adopted a positive attitude in this matter. We supported the association of those States which believed that their neutral status prevented them from acceding. We spared ourselves no effort. But all these considerations were pushed into the background after the breakdown of the negotiations with Great Britain; you can appreciate how disappointed Parliament was to see the progress which had been made brought to an abrupt stop in January. Now we are depressed at the prospect of a rather lengthy period ahead of us in which no really constructive work can be done.

I can assure you that this blow, which went so far as to shake up relations with EEC, was very severely felt in the Euro-

pean Parliament. I recall the first session which we held in February 1963 immediately after the breakdown of negotiations. I think we kept faith in European development alive and ensured that EEC was not too severely affected by this negative turn of the political tide.

I very clearly recall what the President of the EEC Commission, Mr. Hallstein, said at the time and again in a later session when he gave us a detailed report on the negotiations, the breakdown and the future outlook.

Our attitude and our efforts contributed to overcoming the crisis—and crisis is the right word—which beset the path of European integration.

It is said in the report before us that the negotiations for the accession of Great Britain would probably not have failed if, instead of the Ministers of the individual member States, an organ of the Community, the Commission, had handled the negotiations. There is something to be said for this view but, put as bluntly as this, it is not quite correct. While we should not forget that Community organs would indeed have had to discuss any application for accession to the Community, yet the EEC Treaty very clearly states that the final decision lies with national Governments and in the present legal situation a veto cannot—I would add "alas!"—be overridden by Community organs. It would be an excellent thing, of course, if the Community came to play the leading role. We in the European Parliament would be the first to welcome such a development. But I rather doubt personally whether the negotiations could have been successfully concluded in the existing legal situation if other methods of negotiation had been employed. I say this only in the interests of objectivity and justice.

It naturally remains Parliament's aim to extend economic and social integration, thus growing together into a Common Market, to include other countries, to embrace, indeed, the whole of Europe. Our present task is to maintain contacts on behalf of EEC with Great Britain and the other States which, even though

not joined together in a community properly so-called, have formed themselves into a Free Trade Association. We must do so if we are to ensure that this Europe of ours does not drift apart economically. For it is certainly not yet politically integrated. I think we may safely look forward to avoiding a split, especially in view of a development which we shall discuss in greater detail later, I mean the creation of the Atlantic partnership.

It has been Parliament's constant contention that we should logically pursue our efforts in EEC and in other European Communities; we cannot afford to relax, but must keep steadily on the course we have been steering so far. The negotiations for new accessions were solely due to the success of the Community, to its activity and the extraordinary economic power which it has developed. We should undoubtedly not only weaken the construction of our new Europe but also diminish the chances of extending its boundaries if we slowed down the pace that the Six have already set.

For all these reasons, as you can see from its report, Parliament has always laid the greatest emphasis on the continued development of the inner structure of the Economic Community, on the continuation of integration, and above all on continued progress towards economic union, including, of course, a common agricultural policy. This is most important.

It must be emphasised, however, that, even though negotiations with Great Britain have come to a halt, the Community has achieved successes elsewhere. Yesterday, we approved a completely new Association Agreement with eighteen African States and Madagascar. That is an important achievement of the Community. We have set up close links of quite a new kind with a large part of Africa, links which are based upon equality, recognition of the sovereignty of the African States and friendly cooperation with no political strings attached and yet full of political promise. Although Parliament came into conflict with the Council of Ministers over this matter because it was consulted only after the agreement had been concluded, we maintain that

our view is the right one and that the Council of Ministers will doubtless change its attitude in the course of time.

Nevertheless, we have the satisfaction of knowing that Parliament itself laid down the foundations for this new association on its own initiative, mainly here in Strasbourg. This was an achievement greatly to its credit—something novel, important and, above all, successful, which had undoubtedly strengthened Parliament's position.

What we want, of course, and the report brings this out very clearly, is to extend European unity beyond the sphere of economic and social policies to policies on foreign affairs, defence, and culture. A start has in fact been made with discussions on these topics, but manifestly the different views expressed cannot yet be reconciled for a variety of reasons which I do not wish to discuss in detail here. You are aware that negotiations to set up a political union broke down.

Parliament continues to believe, however, that, without prejudicing the complete autonomy of the existing European Communities and without impairing them in any way, steps should be taken in the political field to prevent the Six, which are so closely linked economically and hence, of course, politically, from developing along completely different paths in fields such as foreign policy and defence policy to the consequent detriment of the work of building a united Europe.

We therefore discussed the subject of political union in our debates. We hope that the negotiations on this point can be resumed so that integration can take a further step forward.

There are two important closely-connected problems which must be faced in shaping our future policy: the Community's foreign trade policy and European-American Atlantic partnership. In regard to foreign trade policy, we in Parliament, the Commission and the entire Community have always said: "We are open-minded and receptive, we are not self-supporting, we refuse

to pursue a trade policy confined to ourselves and to cut ourselves off from the rest of the world".

I think this has been borne out by the facts. It has been evident in the Dillon round and the attitude of the Commission has also confirmed it. We do not want to retreat into our shell and cut ourselves off; we want to follow a liberal policy which, after all, is one of the express objects and obligations of the Community under the Treaties—and I would emphasise that the Treaties are very explicit on this point.

The position we assume in regard to foreign trade policy is particularly important in our relations with the United States of America. The strength of the European Economic Community, its very existence, its progressive urge, the fact that it has become the greatest economic power, this major political truth induced the United States to examine afresh its relations with Europe, particularly its economic relations, and to propose the conclusion of an Atlantic partnership pact.

The European Parliament has always welcomed this development. Only recently it welcomed the negotiations which are to be held in the "Kennedy Round" and in GATT as an introduction to the partnership; but it also supports the whole trend in this direction. The proposal to form a partnership came at a time when real chances of success made it seem that the European Economic Community augmented by Great Britain would essentially embrace the whole of Europe. It has become obvious, however, that although we did not manage to attain this objective, it does not prevent the formation of an Atlantic partnership, but that it is possible even at this stage to build upon the EEC and co-operate with other partners in order to make such economic co-operation feasible. I do not need to go into details here. I will leave that to Mr. Struye who has submitted a written report and to President Hallstein who will also be making it the main burden of his statement.

Here I should like to stress just one point. It is often maintained that the European Economic Community is in dan-

ger—and this explains the grave responsibility of Parliament—of being swallowed up to some extent in a vague although larger Atlantic Community. Ladies and Gentlemen, that is not so. The Atlantic partnership is not a new organisation such as we have here in the Common Market, in EEC. It is a political or economico-political type of co-operation lacking in specific form. But it does at least presume the existence of two partners capable of working together, one on one side of the Atlantic, the United States and Canada, and the other partner, Europe, a Europe primarily founded and built upon the Economic Community and developing to include the whole of Europe.

By means of this partnership, the close co-operation which we already enjoy and which has been so fruitful in the past will not be dissolved but is expected to gain in stature. Partnership is only possible if there is economic power superseding the individual nation-States, if an economic union exists such as we find in EEC.

The European Parliament has always taken great pleasure in formulating these aims, and particularly now because the Atlantic partnership will contribute to eliminate the danger of Europe drifting apart, of a split occurring between EEC and the other organisations. Accordingly we have always expressed our strong approval of this trend towards wider horizons.

We have also viewed with favour the GATT negotiations which have become necessary within the framework of the Trade Expansion Act of the United States and that country's new customs policy, into the details of which I do not propose to enter now. The latter aspect naturally has also had a direct effect upon our external trade and our agricultural policy because the two are indissolubly connected. I do not need to go into the very facile, unhappy examples of disagreement over agricultural products such as the "chicken war" and similar disputes in order to show how closely interlinked these matters are, how carefully the situation must be examined and how firm an attitude must be adopted both from the European standpoint and from that of the individual countries. We should, however, consider

the whole matter in the major context of co-operation and not as a conflict, for in this matter too, we want to unite and not to divide.

What I had to say was intended to serve as a basis for discussion; I hope I have also managed managed to show that the European Parliament has fulfilled its obligations not only as a supervisory organ, as a consultative organ, as a Parliament with a unique personality of its own, but that it has, in addition, contributed, throughout the period covered by the report and beyond, towards the increasing unification of Europe, towards its continued growth and steadily rising fortune. (*Applause*).

The Chairman (*F*). — I thank President Furler for his address.

I call Mr. Sassen.

Mr. Sassen (*Netherlands*) (*member of the European Atomic Energy Commission*) (*F*). — Mr. Chairman, Ladies and Gentlemen, it is a special honour for me, at the opening of this important session, to speak to you, on behalf of the Euratom Commission, about its activities and also to put forward a few points concerning the present situation in the European Community. The President of the Commission, Mr. Chatenet, very much regrets that he is unable to attend owing to important business in Brussels and asks me to apologise for his absence.

The fact that this year the representatives of the executive bodies of the three European Communities are speaking at these two assemblies for the fifth time in order to provide a general outline of their activities and to exchange ideas with them constitutes not only the pursuance of a laudable tradition, not only the reviewing, as a matter of courtesy, of the developments in the Community and its relations with the outside world to the elected representatives of seventeen European nations; it is also a political act of the utmost significance, since this joint meeting

provides an opportunity of promoting contacts between the European Communities and the rest of Europe. The most noteworthy feature of this meeting seems to me, after the events of the past year, that these contacts can take place as a matter of course and without complicated negotiations between government representatives as to their whys and wherefores.

It also corroborates, in my opinion, the experience gained when our European Communities were set up, namely that the solution of the majority of problems is easier in those cases where the common will of the people has an institutional framework.

In this connection, I should like to draw attention to what the *Rapporteur*, Mr. Biesheuvel, pointed out in his excellent report, which provided a particularly clear analysis of the political situation. It is not possible to put a given sector of public life into a wider context for any period of time without the other sectors being affected by it. The Common Market for Coal and Steel was inevitably followed within a few years by the common market for other products and the development of a joint policy in all fields of national activity related to it. Five years after the coming into force of the Treaties of Rome, we have reached the point at which the Community, which now embraces such sectors as coal, steel, nuclear energy, other branches of industry, agriculture, foreign trade, assistance to developing countries and social policy must be completed by the political unification of its member States. This political expansion does not, however, develop automatically from the existing Communities, with their economic aims, but calls for a special effort of political will. It assumes the harmonization of the foreign and defence policies of the member States and so can only become effective if it presents true Community features.

Any approach by an individual State acting independently, which admits Community action only in cases in which material and immediate advantages are obtained, is in the main a drag on the movement towards European integration, for what is needed more than ever today in view of changes in the world

political scene, is the realisation of a forward-looking, overall concept of Europe which would enable this continent to play a fitting part in world affairs. Judging by the experience which we Europeans have gained in the course of our history, and also in recent years, this idea is only likely to be successfully fulfilled if it results in a European order that first welds the individual European States into an all-embracing, outward-looking entity, secondly, ensures an internal stability which safeguards the national identity of the various member States and precludes *a priori* any kind of national hegemony, and, thirdly, creates conditions under which effective co-operation is possible on the basis of mutual and abiding confidence within a framework of Community institutions tending to promote and to ensure common interests created by a gradual merger of certain national interests.

After these few general remarks, I should now like to deal specifically with the activities of the European Atomic Energy Community which—this point should, I think, be brought out—represents a comprehensive, well-balanced whole such as we would like Europe to become. You will certainly not expect me to summarize the Commission's 6th general report on our activities. You all have a copy of the report and are acquainted with the fields in which we have been active, whether it be nuclear research, specialist training, the dissemination of nuclear information, energy-policy forecasts, the promotion of power-reactor construction, the use of radioisotopes, the activities of the Supply Agency, health protection or safety control. I shall therefore confine myself to mentioning some new aspects and some of the main results of our activities and to dealing with the present state of our relations with the outside world.

In the report which I had the honour to present to you a year ago, I dealt in detail with our second five-year programme, Euratom's role as a catalyst of nuclear research in the member States, the resources available to the Commission for carrying out its research programme and the latter's effect on the development of nuclear industry. This programme was initiated at the beginning of this year and it may be useful to give a brief outline of the progress made to date.

In the forefront, of course, is the continuation of work begun on the first five-year programme. The most important of these tasks was the extension of the four establishments of the Joint Nuclear Research Centre, in particular those at Karlsruhe and Petten, construction of which could only begin towards the end of the first five-year programme. Work on the Ispra and Geel centres—which are already in operation—is being continued, so that it may now be said that they have reached the consolidation stage.

In addition to the activities of the Joint Nuclear Research Centre, the granting of research contracts is the major means by which the Commission promotes research. In the second five-year programme, research under contracts has acquired considerable importance and is expected to absorb more than 50 % of approximately 450 million EMA u.a. earmarked for this programme. The research contracts thus not only provide an important means of co-ordination in the Community but also serve to widen the scope of European nuclear research. For example, the second five-year programme allocates 71 million EMA u.a. for fast-reactor research contracts, thereby putting in hand research to a total value of about 200 million EMA u.a. in the Community as a whole. Lists of the various research contracts concluded, together with summaries of results obtained have regularly appeared in the Euratom Information Bulletins, published since the beginning of this year. This periodical also contains details about Euratom patents, which at present total 253 original and 538 second applications. Furthermore, since 1st December 1962 the Commission has published in the *Journal Officiel* of the European Communities notice of certain research projects to be carried out under contract. In the relevant notices, interested persons and enterprises in the member States are invited to submit research proposals to the Commission. The research projects embrace almost all the fields covered by the second five-year programme. The new procedure has met with a favourable reception.

The new tasks which the second five-year programme imposed on the Community have been tackled speedily. Chief of

these is the conclusion of major contracts of association with the French Atomic Energy Commission, the German Reactor Centre at Karlsruhe and the *Comitato Nazionale per l'Energia Nucleare* in Rome for the development of fast breeder reactors, which represents one of the most important activities under the second programme. Further contracts, especially in the field of reactor development, have been concluded or are being negotiated.

Since the cost of the second five-year programme had to be calculated very accurately, if only because of the budgetary limitations imposed on some of the member States, it was not possible to make any reserves available for new activities or for stepping up current projects. It is, therefore, not surprising that in the very first year of the programme voices have been raised in favour of its expansion, especially since nuclear technology is in a state of flux. Accordingly, at the beginning of this year, the Commission submitted a plan to the representatives of the member Governments for the establishment at Ispra of a Physics Department to be devoted primarily to solid state and low-energy physics.

Although this plan did not, at least in the initial stage, meet with the unanimous support of the member States, primarily for financial reasons, the Commission is nonetheless endeavouring to proceed with it.

Another project aimed at the amplification of the second five-year programme is the proposal, submitted in February of this year by the French Government, that a European Institute for post-graduate nuclear studies be set up in Saclay. This project is based on Article 9 of the Euratom Treaty, under which colleges for the training of specialist personnel can be set up within the framework of the Joint Nuclear Research Centre. It is therefore of particular importance as Euratom has not hitherto set up any training establishments of its own, and with this Institute, France too would have an establishment of the Joint Nuclear Research Centre.

In this connection, I must point out that the setting up of the European University, referred to in Article 9, paragraph 2 of the Euratom Treaty, has come near to realization. Last week the Italian Government passed a Bill providing for the establishment of a European University in Florence, in implementation of the Bonn declaration by the Heads of State and Government in July 1961. It has also been decided to call an inter-governmental conference in October 1963 with a view to negotiating an agreement on the intellectual and financial participation of other European States in the work of the University. The Commission welcomes the Italian Government's initiative and reaffirms its interest in the fulfilment of this project.

Owing to the sudden development of space research in Europe, which has led to the establishment of two new international organizations, the European Space Research Organization (ESRO) and the European Launcher Development Organization (ELDO) the question arises whether, to what extent and in what fields Euratom can collaborate in the utilization of nuclear energy for space research.

In several fields the present Euratom programme is immediately concerned, and in other branches the existing Community installations could be put to good use in a very short space of time. The Commission would therefore welcome being asked to collaborate in the elaboration and eventually in the implementation of the ESRO and ELDO programmes, in so far as they concern nuclear energy. The resultant link between these organizations and the European Community would not only serve to ensure rational division of labour but also be a means of increasing contacts between the Community and other interested European States.

Mr. Chairman, Ladies and Gentlemen, as laid down in the Treaty, the bulk of research work carried out by Euratom is for the utilization of nuclear energy in the production of electricity. In the field of economics, this means preoccupation with the problem of making nuclear electricity economic in the context of the overall power economy and of determining what proportion

of electricity requirements can be met from current obtained from nuclear sources. The complexity of this problem is borne out by the point made by Mr. Ridley, *Rapporteur* to the Consultative Assembly, in paragraph 7 of his draft Resolution, which states that the economic running of nuclear power plants must be viewed in relation to all other power plants in a particular area. This is a very pertinent observation. At the end of October the Commission is, in fact, organizing a symposium on questions relating to the economic running of nuclear power plants, at which is to be put forward for discussion all information available to the Commission, especially that concerned with reactors in which it is actively participating.

In the field of energy economics too, new facts have emerged during the past year: estimates drawn up by the Commission as far back as 1960 have been confirmed by the figures given by recognized experts on both sides of the Atlantic as well as by recent experimental data. Between 1965 and 1967, nuclear power plants operating for 6,000 hours yearly and located in certain areas fairly remote from sources of conventional energy will be capable of producing electricity under economic conditions and, between the years 1968-1970, it will be the same throughout the Community. In view of the rising demand for electricity in the Community countries, the use of nuclear energy is essential if this demand is to be met. Contrary to many fears which, understandably enough, have been or may yet be expressed by producers of conventional energy, the use of atomic power will prove to be a necessary supplement to the production and imports of conventional sources of energy and not so much a cause of structural changes in these fields.

That is why my colleague, Professor De Groote, on 27th June 1963, before the European Parliament, drew the conclusion that, in twenty years' time, coal, fuel and gas requirements as a whole, will increase four times as far as electricity production is concerned, even taking into account the attainment of all our nuclear energy forecasts.

As you know, the policy envisaged for individual energy sources is decided by the Inter-Executive Group on Energy,

whose study on the long-term energy prospects in the European Community, submitted in December 1962, is now before the Council of Ministers of the European Coal and Steel Community and, together with our memorandum, will serve as a basis for the decisions to be taken on a joint energy policy.

You can therefore see—and in this connection I would refer you to point 6 of Mr. Ridley's draft Resolution—that for some time now the Euratom Commission has been in agreement with the High Authority of the European Coal and Steel Community and the EEC Commission and, by setting up the Inter-Executive Group in 1960, has taken moreover such institutional steps as lie within its power to facilitate the working out of a joint energy policy. The decision on common energy policy matters lies, however, with the Council of Ministers of the European Coal and Steel Community. Incidentally, the Government representatives have fully approved the statements on nuclear energy appearing in the two documents of the Inter-Executive Group. Some delegations were even of the opinion that the Euratom Commission had made a particularly conservative estimate of the future role of nuclear energy: this is surely better than erring in the other direction.

Obviously, the future use of nuclear power plants on a large scale will be possible only if sufficient quantities of fissionable materials are available. The Commission consequently called upon the Consultative Committee of the Euratom Supply Agency to draw up a report on the prospects for the supply of natural uranium. According to this recently completed report, the supply of natural uranium up to 1975/1980 should not present any problems. Nor is there any cause for anxiety as regards the supply position in later years, since the exploited reserves make up only a part of the available uranium deposits. In order, however, to develop the uranium deposits at the right time and at favourable prices, it would be advisable to take appropriate measures in the near future, particularly with a view to mining operations. Furthermore, it is hoped to improve the fuel-utilization factor of the reactors in the course of the next decade. Finally, looking further ahead, we can count on

the advent of breeder reactors, which will enable an at least 50-times better uranium-utilization factor to be attained and will make possible the re-use of depleted uranium and the exploitation of ores with a lower uranium content.

A further prerequisite for the use of nuclear power plants is the solution of problems relating to third-party liability and nuclear insurance. Here we are glad to note that there is constant collaboration between the Community and non-member countries of Europe.

However, the Commission's activity in the economic sector does not consist merely in erecting the framework within which the nuclear energy industry can and must develop, but also in taking concrete measures to promote it. In this connection, I should like first to mention the Commission's participation in five power reactors, as a result of which the experience gained in the construction and operation of these reactors is made available to the Community; secondly, the agreement with the United States on power-reactor development, under which the Commission provides assistance for the building of three nuclear power plants with a total net installed capacity of 650 MW. Both these measures constitute a powerful stimulus to reactor constructors in the Community and, not least, to the fuel-element fabrication industry. But the Commission's responsibility extends also to the infrastructure, in particular to the reprocessing and transport of irradiated fuel elements and to the storage of radioactive waste. I might mention here that in this field we are co-operating closely with the United Kingdom and Switzerland.

In conclusion, let me say a few words on the Commission's activity as regards safeguarding the health of nuclear workers and the general public against the dangers of ionizing radiation. The Commission has always devoted special attention to this facet of its task. Early this year the Basic Standards it had drawn up—and this is a field where the Community has genuine powers of legislation—were implemented in three Community countries by appropriate regulations. In the remaining countries similar

regulations are about to be promulgated or are in the course of preparation. As a result of the Commission's co-operation with the competent authorities in the member States, it has also been possible to achieve uniformity in the legislation passed in the various countries of the Community.

Mr. Chairman, Ladies and Gentlemen, may I now make a few observations concerning the Community's external relations. At the present time, there are nineteen representatives of non-member countries accredited to the European Atomic Energy Community. Since its foundation, the Community has concluded agreements for co-operation with five countries, namely the United States, the United Kingdom, Canada, Argentina and Brazil. Fruitful contacts are also maintained with other States, particularly with Denmark, Greece, Sweden, Switzerland and Japan. In addition, the Commission takes an active part in the work of the European Nuclear Energy Agency within the framework of the OECD.

The past year has again seen increased international co-operation on our part. In September of last year I had the opportunity to report to you on the Amendment to the 1958 Agreement for Co-operation with the United States and to the 1960 Supplementary Agreement which came into force on 9th July. Today I can inform you that on 22nd August 1963 a new amended Agreement with the US Government and the United States Atomic Energy Commission was signed which further intensifies the already close collaboration between the Community and the USA.

As is known, under the terms of the agreements concluded with Euratom in 1958, 1960 and 1962, the United States provide the Community, either for its own needs or for those of Community enterprises, with specific quantities of special fissile materials for use in power reactors or the Community's research programmes.

Under the new amended Agreement, the US Atomic Energy Commission is empowered to furnish the Community with addi-

tional quantities of U-235. This ruling was found to be necessary in order to ensure the supply of fuel to new reactor projects in the Community. It also enables the Community to fabricate U-235 based fuel elements for export and to reprocess in the Community fuel elements of this type originating in both non-member and member countries.

The new amended Agreement is extremely important for the development of a fuel-element industry in the Community, and also for the operation of plants for the reprocessing of fuel elements with enriched uranium. It represents a further step towards a liberalisation of the American Government's policy with regard to the export of fissile materials and collaboration between the US and Euratom and is further proof that the experience and importance of the Euratom Community have grown to such an extent that a policy of Atlantic partnership is possible within the framework of the US Agreement in a field where it is particularly desirable.

At the same time, collaboration with the United Kingdom has also progressed. As I explained in my statement to the European Parliament when negotiations with the United Kingdom were suspended on 5th February 1963, work carried out during these negotiations was not in vain, since technical discussions had enabled the Community to assess the extent of Britain's possible contribution, and had offered the United Kingdom an opportunity of becoming fully acquainted with the significance of the programmes now under way in the Community of the Six. The intention expressed by the Commission at the time to the effect that every use should be made of the experience thus gained in order to intensify collaboration with the United Kingdom, which first began in 1959, was first implemented on 20th May when, on the occasion of the fourth session of the Continuing Committee for Euratom/UK Co-operation, it was agreed to extend existing co-operation to new fields and to step up the exchange of information.

Mention should also be made of the maintaining of collaboration with the non-member States within the framework of the

European Nuclear Energy Agency which is most profitable. The Dragon Agreement, for instance, which envisages the joint development of a gas-cooled, carbon-moderated high-temperature power reactor and which was to have expired on 30th March 1964, was replaced by a new agreement, drawn up last November, under which the work now begun is to be continued until 1967. Euratom's participation in this joint research project is now to be at the rate of 46 %. The Halden Agreement, which similarly incorporates a joint research project within the OECD framework, has also been extended until 30th June 1964.

As regards relations with developing countries, I should like to draw your attention to the Convention of Association—which was the subject of yesterday's debate in the European Parliament—concluded on 20th July 1963 between the European Economic Community and the Associated African States and Madagascar, Title I of which applies to the nuclear products listed in Annex IV to the Euratom Treaty.

Finally, a word should be said about the recent visit paid by a Swedish Government delegation to the Euratom Commission, reciprocating a Euratom visit to Sweden last year and giving our Swedish friends an opportunity to obtain an on-the-spot picture of the activities and work programme of the Community, to have fruitful exchanges of views and to draw mutually useful conclusions.

Mr. Chairman, to sum up, the Euratom Community has continued to develop coherently over the past year. Its progress and the expansion of its activities could perhaps have been greater if the negotiations on the entry of the United Kingdom and other European countries had been brought to a successful conclusion. The suspension of negotiations did not however—despite fears voiced by many—hamper the European Community in the continuation, intensification and, in some cases, extension of the fruitful collaboration with its contractual partners and other countries outside the Community.

It is not however enough merely to preserve that which already exists. What is now required is the vigorous develop-

ment of the European Communities in the political sphere, in particular by:

— the merging of the executive organs and subsequently of the Communities themselves;

— the strengthening of the European Parliament and its powers;

— the elaboration of a Community structure in the field of a common external and defence policy.

In this way the Communities can achieve their aim of the progressive unification of the peoples that form them. It is our belief that the resultant strengthening of the European Community will not diminish but rather increase its world-wide outlook, as a truer Atlantic partnership will be possible when a more closely united Europe is established on this side of the Atlantic.

It is our wish and hope that the strengthening of the Community will finally help to accelerate the unification of all the European peoples represented here today, so that Europe will play a part commensurate with its culture, population and economic importance in the preservation of world peace and the furthering of the well-being of mankind as a whole. (*Applause.*)

The Chairman (*F*). — Thank you, Mr. Sassen, for your very full statement, which has given us a new insight into some of the secrets of the atom.

I call Mr. Coppé.

Mr. Coppé (*Belgium*) (*Vice-President of the High Authority of ECSC*) (*F*). — Mr. Chairman, Mr. Malvestiti, although he came to Strasbourg to share in the tribute to Robert Schuman, resigned from his post on 9th May last, and has asked me to deliver the speech he was to have made to the Joint Meeting.

Mr. Chairman, Ladies and Gentlemen, it is because the negotiators of the Paris Treaty realised the need for some organic link between the Council of Europe and the European Coal and Steel Community that this joint meeting now takes place annually.

Before giving you an account of the development of the Community's coal and steel market during the past year and of the High Authority's activities in general, let me say how cordially we welcome the agreement between the Governments of the Six on relations with Great Britain and the acceptance by the latter of the procedure suggested. The agreement may not go as far as we, in our impatience, had hoped, but we do feel that it will help to eliminate some of the difficulties that, since last January, have militated against a good understanding between the Six. The High Authority itself intends to do all it can to tighten the institutional links established by the 1954 Agreement of Association, which has so far operated to the satisfaction of both sides and, amongst other things, made possible the tariff agreement on steel products reached in 1957. We are delighted that next week will see the first meeting, since the breaking-off of negotiations with Great Britain, of the Council of Association provided for in that Agreement.

The High Authority also welcomes Austria's request for the resumption of discussions with a view to her association with the Common Market. Austria's share of the European and world steel markets is large enough to make her application a matter of close concern to the High Authority.

After these more general comments, and before entering on a very short account of developments in the coal and steel market and the activities of the High Authority, let me, first of all, confirm the view, already expressed here last year, that the whole steel industry—and not, as heretofore, merely the coal industry—is in course of rapid transformation.

We drew attention last year to the basic changes taking place in the system of production and to these have recently been added

a number of changes in market and trade structures. Particularly striking is the structural change in world trade. Since 1959, imports of steel and pig-iron from third countries have risen by 82 %, while exports have fallen by 7 %. The main exporters of iron and steel products to the Community are the countries of Eastern Europe, Austria, the United Kingdom and Japan.

Faced with this alteration in the terms of trade—for the past three years the Community's steel industry has been standing still while world production has shown a constant rise—the High Authority must take care that the Community's market in steel products is not disrupted by the offer of foreign products at abnormally low prices. The High Authority has accordingly approached the Governments of the United Kingdom, Austria and Japan with a view to regulating competition and is extremely grateful for the way in which these approaches have been met. The contacts established have already proved useful and ought, in our view, to be continued if the situation is to be kept under review and we are to avoid upheavals on the international market.

May I, at this juncture, digress for a moment in order to clarify one point.

The Community's producers have been, and are still being, accused of dumping. Now, to establish whether or not such accusations are justified, it is obviously useless to refer to our producers' own price lists because, although the Paris Treaty obliges each producer to issue such a list and to apply it without discrimination, it also authorises him to make reductions designed to bring his prices into line with those offered on the spot to the consumer by rival producers, whether or not belonging to the Community.

From the Community's point of view, offers from Western and Eastern European countries fall into different categories, for the latter countries have been offering goods at such exceptionally low prices that our producers have been obliged to reduce some of their listed prices by as much as 30 %.

The economic systems of the two *blocs* are so totally different that there is no objective standard by which to measure the propriety or otherwise of any given commercial operation. That being so, in order to avoid upsetting the market, the Six have agreed not to increase their present import quotas and not to sign any new trade agreement without prior consultation with each other.

The Community's steel industry is trying to meet the situation by seeking new outlets inside the Common Market, and trade between the member countries can, in fact, be seen to have increased over the past few years. Nevertheless, so long as the situation remains unchanged, there will always be a danger of producers cutting down on their investment programmes, with all the attendant long-term effects to be expected for the economy of the Six as a whole.

The present stage is therefore a critical one and the High Authority is following world market developments closely and considering what measures can be taken to help the Community's steel industry adapt itself to the new situation.

In the energy sector, the trend that started in 1957 to 1958 is still continuing; that is to say, there continues to be an increased demand for petroleum products and a reduced demand for coal.

The re-organisation of the coal market is continuing, thanks to the united efforts of Governments, firms, workers and the High Authority itself. It is beginning to show results, in that production has been brought more into line with demand, although last year demand was met only by increased imports from third countries. The exceptional tariff measures adopted at the height of the coal crisis have now been either withdrawn altogether or modified. As you will remember, it became necessary, in 1960, to isolate the Belgian coal market to some extent from the common market, but the measures taken then have been progressively reduced and the Belgian market has been re-integrated in the common market since last year. In 1959, the High Authority

recommended that, to protect the German market, the Federal Government should impose a customs tariff on all but a certain quota of coal imports. That quota, originally fixed at 5 million tons, has since been raised to 6 million.

Coal imports from third countries were 4 million tons higher last year than in 1961, rising to 23 million tons or rather more than 10 % of the Community's total production. During the first half of the present year, imports continued to increase and reached the figure of 16 million tons. The United States provided two-thirds of the Community's total coal imports, its next largest suppliers being Great Britain, the Soviet Union and Poland. Community exports to third countries increased by rather more than one million tons compared with last year, the main purchasers being Switzerland and Austria.

During the last months of 1962 and the first months of 1963, the High Authority was faced with a serious organisational problem in the coal sector, in the shape of the new sales system for the Ruhr, the previous system which went back largely to 1956 having ceased to operate at the end of last March. The High Authority agreed to the demand of the mines concerned that they should be re-organised in two separate cartels, but only on condition that the two groups should be entirely independent of each other, that the agreements should be for three years only and that it should have special powers of supervision over them. I might also mention that, for purposes of sales to third countries, each of the two groups is required to operate its own exporting company.

As I have just said, coal is still continuing as last year to lose ground to oil as a source of energy in the Community. At present, some 46 % of the energy consumed comes from coal and about 30 % from oil.

You will recall that the Six have instructed the executive bodies of the Communities to consider ways and means of co-ordinating their energy policies. One of the difficulties in the way of such co-ordination is the fact that different regulations

exist for oil and coal, the first being governed by the provisions of the EEC Treaty and the second by those of the ECSC Treaty of 1950. The two treaties differ on various important points, such as prices and conditions of sale, subsidies, co-ordinated investment, trade policy and escape clauses. In due course, it became plain that the right solution was to create a full-fledged common market for energy, with common rules, rather than to try to co-ordinate policies. The proposals submitted by the High Authority and the two Commissions to the special Council of Ministers were published last year and I have no need to expatiate on them.

At the beginning of this year, in connection with their study of a common energy policy, the High Authority and the Commissions published a memorandum on long-term energy prospects inside the Community, which I recommend to the attention of those of you who are not members of the European Parliament. We think it has valuable things to say in regard to method and it is, in any case, the first document of its kind to be produced. It is intended to provide an econometric basic on which a common energy policy could be formulated, one of its great merits being that it shows the exact extent to which the various sources of energy do, in fact, compete with each other, and the limits within which political considerations may reasonably determine the choice between them.

In agreement with the High Authority and the Commissions, the Council of Ministers has recently created two special committees, composed of government representatives and representatives of the Commissions, to try to solve the energy problem on the basis of the proposals relating to energy policy submitted last year and the econometric studies published this year. The Committee responsible for dealing with the econometric data has already reported; the other, which was instructed to examine the various energy policies open to the Community, is to report by 31st October.

As the proposals for a common market for energy conflict, to some extent, with the regulations of the ECSC Treaty, the High

Authority has submitted a draft Protocol to the special Council of Ministers, laying down the conditions necessary to the creation of such a market. Among the High Authority's proposals, I should like to call attention to the proposal for giving our Community powers to formulate a common trade policy on coal—powers which we now lack. As you know, the Rome Treaty already provides for common trade policies on EEC products, including oil.

The High Authority also draws attention to the desirability of giving the European Parliament wider legislative powers.

The adjustment of the Community's industries to this new situation poses some serious social problems. The Treaty provides the necessary means for dealing with these. Both last year and this, the High Authority was obliged to intervene in connection with the re-adaptation of workers, mainly, of course, those in the coal industry, but help was also given with the re-adaptation of workers in steel plants and iron ore mines. Production of iron ore in the Community is gradually decreasing. The mines, as you know, produce only low-grade ores and they are beginning to feel the effects of the growing preference shown by the Community's steel plants for the high-grade ores of third countries, imports from which have increased markedly over the last few years. In 1962, the High Authority provided help for nearly 28,000 workers dismissed as a result of the closure of mines or reduced production.

In addition to this so-called "re-adaptation", we are also endeavouring to carry out industrial reconversion, a difficult task, as we have already said.

Lastly, we have contributed towards the building of 25,000 workmen's dwellings, as part of a fifth programme.

The year 1963 marks the tenth anniversary of the creation of the common market in coal and I think it can be said that, in every sector in which we are directly involved, what we have done has proved beneficial. The reconstruction of the coal and

steel sectors has had its repercussions on employment and during the past few years 300,000 workers—or over a quarter of the total manpower employed in the coal and steel industries when the Common Market was first created—have moved to other industries. We have spent over 55 million units of account on the re-adaptation of 150,000 workers and our reconversion programme has provided 6,500 new jobs.

So far, the High Authority has been responsible for five building programmes aimed at improving the workers' living conditions. During its ten years of existence, it has contributed, in all, towards the building of 100,000 dwellings.

Mr. President, Ladies and Gentlemen, I cannot end this brief analysis of the first ten years of the life of the coal and steel common market better than by stressing one point that has no doubt already occurred to you. It is this. The Coal and Steel Community hoped to provide a basis for the economic development of its Members and it has always, so far as it could, favoured the promotion of trade between different economic areas. A proof of this can be found in the striking rise in its imports both of coal and steel.

This time last year we thought we were approaching the day when other European countries would be joining the six-Power Community. Events showed our hopes to have been premature. All the same, it becomes plainer day by day that the Community and the other European countries are moving nearer and nearer together. The High Authority welcomes this fact and we can surely look forward to fresh developments within, let us hope, a very short time.

Within seven months, the tariff negotiations will be opening in Geneva. The High Authority will be associated with these negotiations, which it is awaiting with the utmost confidence.

In this connection, I would remind you that the customs tariffs imposed by the Six on steel products are among the lowest in the world. The Six have not waited until now to take measures

in the field of tariffs inspired by the same principles that are to be the basis of tomorrow's negotiations.

The end of the ECSC's first ten years of life thus finds us in the midst of a complete transformation of the world economic situation, with other changes to be looked for in the near future. Let us face that future with the firm intention of ensuring that the Common Market remains a dynamic factor in the creation of new economic and social structures, for the greater good both of Europe and of civilisation. (*Applause.*)

The Chairman (*F*). — Ladies and Gentlemen, I am most grateful to Mr. Coppé for the amount of useful and valuable information he has managed to give us in so short a time.

I shall now suspend the Sitting until 3 o'clock.

(*The Sitting was suspended at 1.10 p.m. and resumed at 3 p.m.*)

The Chairman (*F*). — The Sitting is resumed.

I call Mr. Hallstein.

Mr. Hallstein (*President of the Commission of the European Economic Community*) (*G*). — I have been asked this time so to arrange the customary account of the activities of the European Economic Community as to allow the debate to be concentrated on the subject of the tariff negotiations in GATT in the light of Atlantic partnership. I am glad to comply with this request as I, too, feel that there are good reasons for concentrating on this aspect of our work. I am thinking not only of the most efficient use of parliamentary procedure, not only of the obvious topicality of the subject. Evidently this unique gathering, which may be

looked on as representing the whole of free Europe, is the best forum in which to discuss problems of interest to all parts of this wider unit. Even if we consider nothing but our European Economic Community, we may expect that a study of the most important development which it has to face in the field of external affairs will give us a reliable picture of the way the essentials of the Community have been shaping. The essence of the Community—and we shall never tire of saying so—lies in its individual political personality, in its own vital force, in the firmness of its cohesion, in its unity. We know that this unity is advancing step by step, and so we welcome any criterion which allows us to measure the progress made. Here the manner in which the Community emerges from foreign policy tests is more conclusive than evidence drawn from the internal situation. In a federal structure such as ours, delay in the progress made with some particular internal problem or delay in finding a common solution for it, is not necessarily a fault. Sometimes it is no more than the expression of a sound dislike of too much centralism. In foreign relations the situation is different. If the Community is incapable of reacting in uniform manner to a situation which all agree must be mastered in common, then this is certainly a sign of weakness and must be entered on the debit side of our balance-sheet. That is why external relations play such an important part in our general reports and why precise information on our current negotiations is an indispensable element in our reports to the public. And the value of negotiations and treaties as a symptom of the condition of the Community is surely twice as great in an era when States and communities of States are less and less judged by their success in war, more and more by their peaceful achievements —an era when the preservation of peace, the prevention of war is the paramount concern of diplomacy, of policy. After all, that is what we mean when we refer to the "strategy of peace".

Of the foreign policy factors which are at present decisive for the situation of our Community, two are of outstanding importance. I am deliberately refraining from speaking of other events, though I would gladly have done so, such as the happy conclusion of our Association Agreement with Turkey, where I

have just been. Of the two outstanding factors to which I refer, the one is negative—the interruption of the negotiations for the accession of the United Kingdom; the other is positive—the proposal for an Atlantic partnership.

As we all know, the hope that European integration would be carried a step forward by an enlargement of our Community, a hope on which I had reason to base my last address to this Assembly, has not been realized. The negotiations for membership of the United Kingdom have been suspended; most of the requests for membership or association put forward by other States in the train of the British application are temporarily in abeyance. The two Houses which are meeting jointly today have each had their own thorough discussion on the suspension of these negotiations. I myself have explained the position of the EEC Commission to the European Parliament. Today I need therefore only refer to these deliberations, not, however, without adding that we remain fully aware of the need to strive against any estrangement between us and our European friends outside the Community, and to prevent the economies and the policies of these two groups from developing on needlessly divergent lines. That is why we welcome the agreement establishing regular contact through Western European Union.

That this plan for Atlantic partnership has been put forward is itself due to the existence of the European Community.

When after the war Europe lay prostrate in hunger and chaos and was threatened by Communism, and when there was the danger of a Soviet thrust to the Atlantic, America felt itself called upon to help. Its response was unprecedentedly generous, comprehensive and effective; through the Marshall Plan and the OEEC, and by putting up year after year with quota discrimination, the United States supported the economic reconstruction of Europe; and it created NATO to give its allies military protection.

On the Continent the resultant resurgence of Europe culminated in the emergence of the European Community, in which

the new situation found its most marked political expression. For several years economic expansion in Europe has been greater than in the United States. The balance-of-payments situation has been reversed. While Europe closed the post-war dollar gap and accumulated large gold and foreign exchange reserves and —instead of receiving aid as hitherto—itself became a large-scale donor of development aid, the American balance of payments faced a period of major deficits, not least as a result of the political burdens the country had to bear. This change became more marked as the countries of Europe drew closer together. As their economic power in relation to that of the United States and the rest of the world increased, their claim to have an effective say in all important matters of the Atlantic Alliance naturally gained in strength.

The response of the United States to this new situation, and in particular to the success of the European Economic Community, was to offer a complete reshaping of the Atlantic relationship. The basic concept for this, which has been explained in repeated official interpretations, in solemn presidential declarations (especially the important 1962 Independence Day speech in Philadelphia and this year's equally important speech in the Paulskirche in Frankfurt) and in statements by the Administration, is that the United States and Europe, recognizing their world-wide responsibilities, shall co-operate as equal partners. The Trade Expansion Act gives economic expression to this plan for tomorrow. By conferring the necessary powers on the President, the Trade Expansion Act has made the new round of GATT negotiations possible, and it shows that the United States has finally turned its back on the economic isolationism of the thirties, a movement which because of technological progress and of the obvious political and economic interdependence of America and Europe is as outmoded today as political isolationism.

What are the considerations that will decide Europe's response to this offer? The most important will be to give full weight to the undeniable interdependence which exists in the free world and in the Atlantic area not only at political and military but also at economic level. To disregard that inter-

dependence would be to endanger the security and prosperity of Europe.

Our own prosperity depends on the soundness and rapid expansion of the American economy. The European Economic Community is the largest trading power on earth because, neither able to be nor seeking to be self-sufficient, it is by its structure a vast processing area. By practising a liberal import policy it must put its trade partners in a position to buy from it. In this way the Community can promote its own export industries—which, as experience has shown, are also the main contributors to its economic expansion. This situation is reflected in the Treaty of Rome, which establishes the common external tariff as virtually a negotiating tariff.

The Community has always recognized that it would have to contribute to the expansion of trade throughout the world.

That is why the alignment on the common external tariff made in July this year was, like that made at the end of 1960, based on the external tariff reduced by 20 %.

However, the dismantling of customs barriers does not by itself guarantee that trade will increase or that there will be a better division of labour, higher productivity and more rapid expansion. State subsidies, anti-dumping measures applied too sweepingly and administrative obstacles of all kinds can impair trade just as much as customs duties. Therefore the negotiating parties will have to make sure that neither non-tariff measures nor quasi-tariff measures are used to undermine the value and the extent of concessions in the tariff field. Even the preparatory work and consultations leading to the GATT round should aim at broadening the field of negotiation.

This, however, is not enough. We must realize (and in fact we have realized) that the day is past when it was left to trade alone to bring about a division of labour in the economic affairs of the world—at the price of slumps and booms or, in other words, of periodical disruption of economic policy. Experience

with the Havana Charter sufficed to show that, since the great crisis of the thirties, autonomous anti-cyclical policies have taken root too deeply, supported by economic theories which everywhere made of full employment and steady expansion a goal comparable in importance with the division of labour. This cannot be undone. The call for free trade—or, to put it another way, the call for free competition—is not for that reason any less justified, but it is no longer sufficient. Anti-cyclical and growth policies must be unified or made to run parallel in order to keep them in step with commercial policy. Therefore the European Community and the United States will have to act together in operating their policies in these fields if they wish to guarantee a lasting and unhampered economic expansion whilst maintaining free trade and full employment. Furthermore, they will in the long run be able to meet the threats to trade and steady economic development which arise from crises in the balance of payments only if they bring their monetary policies even more into line and make a joint effort to solve the world currency problem.

The freer trading system which is our aim must, moreover, not be limited to the Atlantic area if it is to measure up to the world-wide interests and obligations of those who work it. A preferential area such as the European Community can be justified only because it aims at complete political union—an aim which at present is not attainable in the Atlantic area. The issue now is to make a common effort to liberalize world trade for the benefit of all nations interested in freedom of trade. We are therefore glad that the tariff negotiations are taking place in the setting of GATT, where the principle of general most-favoured-nation treatment obtains. This is significant for many reasons.

Because of the most-favoured-nation clause the problems of trade with the low-wage countries can become very important if the negotiations produce the considerable tariff reductions which are intended. These countries will have to be put in a position gradually to increase their exports without upsetting the markets of the importing countries.

Again, a co-ordination of trade policies is indispensable for East-West trade if the liberalization of world trade is not to open the door to undesirable political interference from the East, of a type which has no place in our system.

It is in connection with trade in agricultural products that the comprehensive character of the negotiations emerges with special clarity. Agricultural trade is the central point of the new GATT round because the leading exporters of farm produce, especially the United States and some Commonwealth countries, will reduce their duties on industrial products only if satisfactory arrangements can be made for this sector of trade. However, trade represents only one facet of the world food problem. We cannot therefore hope for success in these negotiations unless they take into account all aspects of the agricultural problem. The task we face is no less than that of mastering a chaotic situation in which we have starvation and a shortage of means of payment, on the one hand, and agricultural surpluses and over-saturated markets, on the other.

To establish even the beginnings of order in this field, to probe into the issues in a constructive spirit and to work towards if not to find solutions is one of the most important and most difficult tasks before the European Community and the other participants in the GATT negotiations. They must try to re-organize first their own and then the world's agricultural markets —without sacrificing the well-being of the farming population— to more liberal trade in farm products.

Equally evident is the need to work together in development policy, since the most-favoured-nation clause applies not only to the industrialized but also to the developing countries.

Those developing countries which already turn out industrial products are clamouring for freer access to the markets of the western industrialized countries. So long as their citizens do not have an adequate income, we shall have to grant them concessions which, as experience has shown, cannot always be based on the principle of reciprocity.

What is more, the developing countries expect that the GATT round will not only produce a lowering of duties on tropical products, but will do something to stabilize the prices of these products.

In other words, the impending negotiations will have to deal quite generally with the question of how to make a satisfactory arrangement for trade between the more highly developed and the less-developed regions of the world. The aspiring nations of Asia, Africa and Latin America place great hopes in the result of these endeavours to find an adequate place for the developing countries in the division of labour throughout the world.

It would be a mistake if the more prosperous countries were to let a number of incoherent concessions be wrested from them. The developing countries will regard as satisfactory nothing but an organic solution taking account of the various aspects of trade with them. In this way alone can we expect to find a solution which shows the Atlantic countries capable of dealing with the problems facing them today, a solution which maintains solidarity without neglecting the legitimate interests of the countries concerned.

These then are the objects of the joint European and American efforts we shall have to undertake. They are truly comprehensive in all dimensions: in time, in space and in purpose.

In point of time, the policy that has to be decided here is one that will affect developments for a long time to come. Our Atlantic tasks go far beyond the actual negotiations which we have initiated. These are an introduction and at the same time a first trial. It is perhaps as well that what we find as formal items on the agenda are matters amenable to sober and business-like treatment; they are calculable and comparable, so that the inevitable arithmetics of reciprocity are given an objective content. But beyond this lie years of strenuous work.

As regards the extension in space of the problems to be mastered, I believe that even the most obstinate sceptic will now

admit what the Commission of the European Economic Community has been declaring steadfastly from the very outset of its activity: that this venture of European integration can succeed only if it is understood in the context of the conditions of our age and if it is thought out and executed in the light of its world-wide repercussions. No one any longer thinks of the European Community as a matter concerning only the six countries of our continent alone.

The whole of free Europe is affected and concerned when we re-organize our tariff and commercial policies on a general most-favoured-nation basis. This is especially true of those countries which have recently sought some constitutional link with the Community. In saying this I am not, of course, suggesting that a successful conclusion of the "Kennedy Round" would settle all the issues which arose in connection with the applications for membership or association put forward by our European neighbours; but there can be no doubt that such a success will markedly reduce the commercial problems of these countries. That being so, we can confidently look forward to good co-operation during the actual negotiations in GATT.

The effects on the Atlantic area are evident; but the significance of this re-organization goes far beyond the Atlantic countries. All industrial nations of the free world are affected, so that we must never lose sight of Japan. And when we think of the developing countries our eyes turn to the other continents, to the developing areas in Africa, in Latin America, in Asia. This brings up anew problems which have already been dealt with to a large extent in other contexts, especially in those parts of the negotiations on the accession of the United Kingdom which concerned the Commonwealth.

Finally, it is evident that even in relations with the East the integration of Europe is beginning to colour political thinking in both camps. There have been signs that the Soviet leaders are beginning to judge us somewhat more objectively. To what extent there is an honest readiness to see us as we are — and that is, after all, the condition upon which all else depends—will

probably become clearer when we face each other at the coming world trade conference. Our cause is a good one, and we are looking forward with confidence to this opportunity of speaking up for it.

This obviously introduces a dimension other than that of pure space. A mere enumeration of the various subjects requiring discussion and solution within this partnership shows that they are subjects of the utmost importance for policy—economic policy. All policy, however, constitutes an indivisible whole. You cannot be good friends in one field and strangers in another. It is therefore no exaggeration if we say that here—as in our own Community—we consider a regional system of peaceful relations to be the fundamental purpose of this Atlantic partnership. But what are we doing in practice about our relationship with other political spheres? Although this question has again and again come up in discussions on Atlantic relations and has been considered from all angles, it has hardly ever been so topical or put so consciously as now; the existence and the success of the European Community have contributed not a little to this. Here I cannot deal more than sketchily with this many-sided and important subject, so I will restrict myself to two observations.

The first concerns the material link between economic matters and questions of defence and general foreign policy. Let me cite just one example by way of illustration. We all know that the balance-of-payments situation has played a considerable part in the American Administration's economic plans with relation to the Atlantic area. Against a surplus of $6,300 million on trade and services account in 1962 must be set deficits due to military expenditure and development aid amounting to $5,400 million plus $3,100 million on private capital account, bringing the overall deficit in the American balance of payments to $2,200 million for the year. How is it to be reduced? Initially, there was much talk of increasing the surplus on trade. Obviously this could not be sustained unreservedly. An increase of this kind must always be limited and, moreover, a unilateral increase would not be appropriate, because it would be tantamount to indirect financing of American exports of capital by the countries

taking American goods. And so the answer which practical American policy has provided to this question is free from such a bias: improvement in the surplus on trade and reduction in the deficits from foreign aid and capital movements are complementary. This example shows that it is impossible to consider such matters from the purely economic angle; economic, military and foreign policy considerations must be constantly weighed one against another.

My second observation is psychological. The growing weight of Europe—growing precisely because of our increasing unity—is finding expression in more and more intensive thinking about the military balance in NATO and especially about an adequate settlement of the nuclear problem. As a result nobody can, and nobody does, any longer consider these matters without taking all aspects of Atlantic relations into account.

There remains the question—the most highly political of all—of the form to be given to the Atlantic relationship so that it shall be adequate to the new tasks. Should, as some suggest, the Common Market be extended to cover the Atlantic area? Certainly not—Mr. Furler was right to point this out this morning—although it is evident that the authors of the American Trade Expansion Act have learnt much from their study of the Treaty of Rome. Congress is far removed from accepting that degree of Community discipline to which our six Governments and Parliaments have assented. Nor is it intended to establish an Atlantic Community—and this is not just a matter of terminology—whose structure would be comparable with that of the European Community. Of course it is true that in the Atlantic area there is a community of States and peoples founded upon common aims and values and supported by a number of institutions; after all this is the kernel of the free world. But a Community in the sense in which we Europeans use the word constitutes more than the consciousness of these common aims and values.

The European Community is an independent entity, a federal or quasi-federal structure which has its own organs, forms its

own collective will and subjects its Members to a common discipline. None of this is intended at the Atlantic level. In the words of Mr. McGeorge Bundy, the special adviser to the President of the United States, to enter into such a Community would be constitutionally and psychologically out of range for the American people. The admonition that "co-ordination is not enough," has already had a cool reception in OECD.

The American offer to the new Europe is rather aimed at constant co-operation between two partners who retain their separate identities, but strive together to establish a balance and to create common ground, bearing their burdens jointly and taking their decisions together, united in defensive tasks and co-operating in peaceful works. These partners are to co-ordinate their efforts while competing with each other in pursuit of their aims; they are to increase their strength through rivalry. From the point of view of organization, the existing institutions of the free world—NATO, OECD, GATT and the International Monetary Fund—will certainly suffice for this purpose in the initial stages. To say this is not to suggest that we should give up the principle of creating in the long run our own pragmatic forms. The partnership we are considering is after all not so much an organization as a policy, a process. It is a reality which cannot be achieved in one day by declaration or treaty, but only by a series of deeds which in the course of time create habits, traditions and precedents for co-operation and unity. Incidentally, use of the institutions we already have to hand resolves one difficulty we are very anxious to overcome: namely the presence of our European neighbours when this policy is translated into practical measures. In the days ahead, the solidarity of Europe will have to be put into practice, and as a result methods of co-operation and common material factors will have to develop, which pave the way for a constitutional link with the Community.

This, then, is the proposal made to us in the form of Atlantic partnership, and which is itself born of the success of our Community. I feel that our response, the response of the Community, cannot be other than in the affirmative. Why have we worked for the unity of Europe, endeavouring to build a political entity

that can embrace our continent and be commensurate with the realities of the space age, if not because we want Europe once more to play in world politics a part worthy of its traditions, its capacity and its self-respect? Here we are shown a way in which we can actively and constructively help in working out international relations on lines consonant with the ideals on which our Community is founded: the ideals of peace, freedom, individual responsibility, competition and solidarity.

True, the offer involves heavy burdens and its realization depends on conditions that are not easy. It amounts to nothing less than taking an equal share of that world responsibility which the United States has hitherto carried alone. The material condition for playing our part is that we in Europe should really be ready to assume our share of responsibility by making an effort, by real achievements (I am avoiding the word sacrifices, because it sounds too much like preaching).

Structurally this partnership depends on three premises: the partners must be capable of action, they must be equal, and there must be a relationship of trust between them.

Let me first deal with the need to be capable of action: this condition can be met only if the Community strengthens its internal structure. For there is a causal connection between the internal state of any political body and its external freedom of action. Like any national State, the European Economic Community can adopt a liberal attitude in its external relations only to the extent that its internal firmness provides a safe basis for such a policy. Everywhere Europe will be heard only to the extent that it speaks with one voice. But agreement on practical issues is not all that matters; agreement is not the same thing as unity. What is even more important is that the Community's constitutional structure shall be so strengthened that full and undivided use of its political and negotiating potential is possible. We all know how much can still be done in this respect without revolutionary change—we need only think of the merging of the Executives, or of the extension of the functions of our Parliament.

We can also deduce the need for the European partner to be capable of action from a more general basic requirement, which is that the partners shall be equal (or comparable). In fact our unity is the qualitative aspect of this equality. From the quantitative angle—where we are already getting near to equality on quite a number of points—some degree of anticipation is essential. To a certain extent, the expectation of equality tomorrow stands in lieu of equality today. As a matter of fact, America has for some years been discounting the future in its relations with a Europe that is in process of unification. Is the expectation of future equality and of consequent equal treatment illusory? Surely not. Let us just compare economic relations between Europe and America with the situation in defence policy. You will immediately see that in the economic sphere we are already negotiating more and more on an equal footing. This success is due to European integration. We must continue in this direction, and no step is too small provided it takes us forward. Material equality is, in fact, an important guarantee for the equal treatment, for the equal standing offered to us.

This brings me to the last and by far the most important requirement of partnership: trust. This psychological factor is something intangible; it cannot be created at will in the mind of the truster or of the trusted, but it is of the greatest importance in political relations, especially in international relations between men and nations; in our case too it will be decisive for success or failure. Realization of this fact sets us a further task. There is something we ought to do about it—and I do not merely mean that we should *a priori* eschew all petty distrust based on prejudice, as this is not only unworthy but also unwise: distrust breeds distrust just as trust generates trust.

There are conditions which favour trust. The equality of partners is one of them. One of the problems of the Atlantic Alliance—and it is probably the central problem—is that the Alliance is one between a giant and a number of dwarfs. So far the United States has carried a maximum of responsibility whilst the Europeans were expected to provide a maximum of trust. A better balance of forces would be of advantage; without the uni-

fication of Europe it cannot be achieved. A conscious effort to entwine our interests more and more closely will increase the sense of solidarity or interdependence—which after all means dependence on each other.

Apart from these structural considerations, much will depend on behaviour. A constant and general exchange of information, frank discussion, consultation in good time are all part of this, as is respect for the opinion of others and for the reasons underlying their opinions, especially if they are not shared by the partner who has to respect them. These things are self-evident —but they are also essential.

None of this, of course, can relieve us from the duty of constant self-examination. If this self-examination does not confirm that the road we have chosen is right, if we begin to hesitate, our cause will be lost. You cannot trust the man who lacks confidence in himself. Are we on the right path? Today, this question is tantamount to asking whether any course other than that offered is open to us. To me, the answer seems simple: there is no alternative. This resolves the spurious problem of the "third force" and the problem of hegemony; there is no need for us to choose between an Atlantic and a European community, for the partnership offered us combines the two and resolves their differences.

In recent months the hope has dawned that the world may be beginning to shake off the cramp imposed upon it by the Communist leaders' claim to dominate it. The strategy of peace which is the programme of the free world may yet be translated into practice. Europe, divided down the middle by the Iron Curtain and the wall of inhumanity, is the main object of this action. It must put forward its claim to take a hand in this action itself. In what other way can this claim be realized than by partnership with the foremost spokesman of the free world, the United States? And the weight of the free world in any negotiations will be greatly increased if it presents a solid front; if it is too strong to invite aggression, if it is prosperous and

progressive, it will serve as an example and a magnet, demonstrating all the superiority of free institutions.

We too are subject to the inflexible political law which says: he who wills the end must will the means. As things are, there is no way other than Atlantic partnership by which we can share in world politics, and it is on these that our fate, the fate of Europe, depends. There can be no Atlantic partnership without a united Europe. If we wish to appear on the stage of world events, we must exist. But, I repeat, no friend, be he ever so mighty and generous, can assume responsibility for our existence. To establish this is our own business.

It is now nearly seven years ago that NATO instructed three wise men, Mr. Gaetano Martino, Mr. Lester Pearson and Mr. Halvard Lange, at that time the Foreign Ministers of their countries, to draw up a report on non-military co-operation in NATO. After explaining that this subject was in no way a merely topical problem arising from the conditions at the time, section 36 of the report goes on to say "the fundamental historical fact underlying development is that the nation State, by itself and relying exclusively on national policy and national power, is inadequate for progress or even for survival in the nuclear age. As the founders of the North Atlantic Treaty foresaw, the growing interdependence of States, politically and economically as well as militarily, calls for an ever-increasing measure of international cohesion and co-operation. Some States may be able to enjoy a degree of political and economic independence when things are going well. No State, however powerful, can guarantee its security and its welfare by national action alone."

It is with this quotation that I should like to close; it is intended as a mark of respect for the illustrious President of our European Parliament, Mr. Martino. *(Applause.)*

The Chairman *(F)*. — I am sure I am speaking on behalf of the Assembly in offering very warm thanks to Mr. Hallstein, who has given us, as he always does, a masterly exposition of his subject.

I declare the debate open.

I call Mr. Struye.

Mr. Struye (*Belgium*) (*Chairman of the Political Committee of the Consultative Assembly*) (*F*). — Mr. Chairman, the Parliament will certainly agree with me when I say that you showed your customary good judgment in endeavouring—naturally without restricting the right of speakers to range over the widest variety of European subjects—to guide and concentrate the debates of this joint meeting as far as possible on a problem which you undoubtedly considered to be vital: the Atlantic partnership.

As Mr. Hallstein has just reminded us with his characteristic wisdom and clarity, this is indeed an event, which must take its place in contemporary history, for it implies a real revolution in certain ideas which might have been considered ineradicable. I cannot help thinking of the extraordinarily clairvoyant prophecy of Alexis de Tocqueville who, during the last century, forsaw with exceptional perspicacity the day when the world would be divided and dominated by two super-States: the United States of America and Russia. At the time, you will agree, this prediction seemed singularly rash, daring and fanciful yet we were ourselves witness after the second world war to the meteoric rise of the two super-States and to the realisation of de Tocqueville's prophecy. And it might have been thought that this ascendency had come to stay, but now, by a sort of unexpected miracle, the whole matter is re-opened, for President Kennedy's proposal with regard to Atlantic partnership calls into question the uncontested leadership of the two major Powers. This proves that the old dictum might perhaps be right: history repeats itself. Indeed, politicians should know from experience that seldom is anything fixed once and for all. In more familiar terms we might say that in internal and external politics, as in love, we should ban the words "for ever" or "never". We now see a new dynamic and prosperous Europe, progressing towards unification in spite of inevitable setbacks, laying claim to a position as third world Power. Her recovery, her exceptionally rapid economic growth during the last ten or fifteen years, the strengthening of her position in the

world, form a striking contrast with her all-too-evident weakness on the morrow of the second world war. And that was a very short time ago.

At that time it was thought that the United States economy, starting from an infinitely higher level, would continue to develop much more rapidly than that of Europe. Now, however, European expansion, at least on the continent, is more rapid than American expansion.

Then you remember how concerned were our Ministers of Finance or Economic Affairs with the danger to the rest of the world of the strong American balance-of-payments position and its grave corollary, a European deficit; whereas today several European countries have redressed the balance with ease, even achieving surpluses and reconstituting reserves.

Today the dollar is being discussed. Who would have thought that possible barely ten or twelve years ago? Then Europe was a gaggle of countries struggling at the door of what has been called "the American Infirmary". That was the time of the generous Marshall Plan whose merits and benefits can never be sufficiently praised.

Today the European nations have quite naturally themselves assumed the role of assisting under-developed nations.

It is this rapid change, it seems, which has made us aware of the need to review the relationship between the United States and Europe. For whilst the Marshall Plan was an act of great generosity—I emphasised this just now—it was not entirely altruistic, since if Europe had been allowed to go to rack and ruin, it would in the long run have been harmful to America herself. Neither are today's proposals for an Atlantic partnership essentially or solely born of philanthropic or charitable feelings. They arise out of considerations of a very realistic and material nature which are beginning to make themselves felt in the United States.

You remember the Trade Expansion Act adopted by the United States' Congress in October 1962, granting the President

authority to conclude trade agreements with foreign countries or with their organisations into which they are grouped, with a time-limit deliberately fixed in order to get quick results. You know that in a general way it provided the possibility of reducing customs tariffs by not more than 50 %, with some exceptions however, notably products in respect of which the United States and the European Economic Community together accounted for 80 % of world exports. But there is no need to remind you that following the failure of negotiations with the United Kingdom this possibility, unfortunately, no longer exists.

Two fundamental characteristics demonstrate the exceptional character of this American Act. For the first time overall tariff reductions were permitted, in place of the old and often unsatisfactory practice of product-by-product reductions. Another innovation: it introduced various forms of assistance from public funds for the purpose of adapting enterprises and workers to the new competitive conditions. It is remarkable that these two elements of the American Act were borrowed from the Statute of the European Community.

You are also aware—I need not labour this point, which will probably be dealt with by the representatives of the Economic Committee of the Council of Europe, that one of the most important problems is that of disparities between the American and European tariffs. You will recall what was the normal, natural and legitimate reaction of the European Economic Community when it realised—a simple arithmetical sum was sufficient evidence—that a reduction of 50 % on tariffs sometimes exceeding 100 % would leave America with a singularly effective, if not prohibitive, protective barrier, whereas a reduction of 50 % applied to the relatively moderate tariffs of the European Community would, in fact, completely eliminate their protective character. There are accordingly very great difficulties in negotiating. Personally, I very much doubt whether one may hope for a satisfactory agreement unless the American legislators concede certain amendments to the 1962 Act.

But whilst the Kennedy proposal and the tariff negotiations which are to be conducted in GATT have important economic

significance and whilst everyone is aware of all the possible repercussions, it cannot be doubted for a moment—and this is why the Political Committee of the Council of Europe was interested in the question—that the projected partnership goes far beyond the strictly economic framework and extends to the realm of politics proper, although I myself have always been among those who refuse to establish a sort of Great Wall of China between politics and economics.

In my opinion, it is wrong to say that the only progress made in Europe has been in the economic field, whilst none has been made in the political. In reality, the European Communities practise a policy; they indulge in politics. To succeed progressively despite the difficulties in imposing upon six States the same guiding principles of economic and agricultural policy, to negotiate as a Community with third countries, thus taking over part of the responsibility for the external policies of the individual States, what is all that if not politics? It is a first step, one which we are all, I imagine, unanimous in considering inadequate, but one which must not be underestimated.

In the same way, of course, the Kennedy proposal is not designed solely to improve economic relations between America and Europe. Moreover, as Mr. Pflimlin rightly emphasised in his report on general policy in May, the success of the GATT tariff negotiators, whilst it might not provide a perfect solution to the trade problems of the United Kingdom and other countries which hope to join the EEC or become associates, should at least attenuate the difficulties caused by these countries remaining outside the European customs union.

As Mr. Pflimlin said, laying the trade foundations of the Atlantic partnership should in addition help to remove the major obstacles in the way of resuming negotiations with the United Kingdom. I believe he called it one of the approaches which would make it possible to reconsider on a new basis this important problem of the extension of the Economic Communities.

We are therefore on the eve of a wide-ranging negotiation which should cover economic policy, economic assistance to third

countries and currency stability, which, as has been said, goes far beyond the ordinary notion of meeting around a table to conduct customs negotiations. Mr. Pierre Uri, in his excellent work "*Dialogue des continents*", wrote that we had entered upon a long-term operation, an adventure which was only just beginning and which would develop from year to year. What is this adventure? By definition, adventures are generally operations where one cannot foresee exactly the turn that may be taken by events, the possible repercussions or the final outcome. But one may wonder whether we are not moving towards the conclusion of a sort of new Treaty of Rome on the Atlantic scale.

One may wonder whether we are not on the way to creating an Atlantic Common Market. As you know, General de Gaulle, on 14th January last, feared the creation of a colossal Atlantic Community which would rapidly swallow up the European Community.

In reality, as you know and as Mr. Hallstein has just confirmed, that is certainly not the European conception. There is no question of watering down the European Community as it is at present, or as it may subsequently become by extension, into a vast Atlantic magma. Apart from this categoric declaration, it is sufficient to refer to some of the characteristics of the Rome Treaty and compare them with provisions of the American Trade Expansion Act. It can be seen at once that the differences are considerable. In the Common Market, the elimination of trade barriers must in principle, after a certain lapse of time, suffer no exceptions. The American Act, on the other hand, leaves a series of products unaffected by the reductions. In the Economic Community the temporary replacement of a protective tariff is subject to the agreement of the Community organisations. There is no similar provision in the American Act. As Mr. Hallstein said, we all know that the American Congress is not sufficiently mature for such renunciation of its prerogatives and of the United States' sovereignty.

One might mention other differences between the structure of the Common Market and what President Kennedy had in mind

and caused to be ratified, at least in its broad principles, in the Act voted a year ago. I am even prepared to say that the very concept of a partnership is fundamentally contrary to the idea of any kind of Atlantic Community which would take the place of the European Communities, since a partnership presupposes an agreement or understanding between two partners. The Atlantic partnership consequently implies the maintenance of the European Community and excludes any possibility of its being engulfed.

But on the strictly political plane President Kennedy was the first to explain what was to be the outcome of the long-term objectives he was pursuing. There was the famous statement of 25th June in the Church of Saint Paul at Frankfurt where he praised an association which, by definition as he said, served the interests of the two partners without either of them dominating or obtaining unfair advantage over the other. Then there was the statement of 7th August 1962 by Mr. Ball, Under-Secretary of State, who said that the Trade Expansion Act should not be considered as an instrument for the sole purpose of contributing to the expansion of trade in the free world, but as a solemn political act which took into account the interdependence of which President Kennedy had spoken and the necessity for forging a true Atlantic partnership, a prerequisite for the strength and security of the free world. In conclusion, is it possible tentatively to say what the Atlantic partnership might finally turn out to be?

It is worthy of notice that President Kennedy himself has on different occasions, especially on 4th July 1962 in Philadelphia, emphasised that he sees Europe as an associate with whom the United States can carry out, on an entirely equal footing, all the great and arduous tasks involved in the edification and the defence of a community of free nations.

Such words go very far and may also appear to be daring, rash and in certain respects Utopian. But it is interesting to note that on the principle of equality there are no fundamental differences of opinion between the responsible leaders of the United States and those of Europe.

General de Gaulle, speaking on 4th September 1962 at the Castle of Brühl, said that the alliance with the United States was indispensable but that in his opinion it could not long retain its assurance and solidity unless there existed on the old continent a powerful and prosperous unit similar to that represented by the United States in the new world. And a few months later Mr. Macmillan had this to say on the same lines: "Our aim is to make a true European unity. Then—and only then—will Europe be great and strong enough to build a more equal and worthy partnership with North America. The right relationship between friends and allies is the relationship of equal balance and co-operation, in which no partner seeks to dominate the others or dictate to the others".

The cynical, the pessimistic or the timid will perhaps say that these are fine words, which make pleasant reading, but no more; in all objectivity, however, the fact that for the first time leading personalities of countries as different and as important as those I have just mentioned should pronounce themselves in favour of this new principle of equality between Europe and the United States is in itself an important step forward which should not be underestimated.

I therefore believe that certain conclusions can be drawn from these statements with regard to the content of the partnership notion. There is no question of extending the European Communities and their special form of integration and organisation to the Atlantic scale. On the contrary, a link of this new type can only be established as Europe's unity and personality are strengthened. In reality, to put the whole problem and its difficulties in a nutshell, it is a question of substituting for the present unorganised system of American leadership the more organised and more equitable system of the Atlantic partnership, a bipolar system, linking two partners, united Europe and North America, on a footing of equality.

This notion of equality undoubtedly leaves room for variations. If we are to be quite truthful, it might be said that the negotiations are not starting off from an ideal conception of equa-

lity, since on the American side there seems to be the intention to impose an overall law fixing the maximum of possible concessions, on the assumption, apparently, that every effort will be made by the Europeans to conform to the American maximum.

I am not convinced that this is a practical and perfectly equitable way in which to take a first step in equal partnership. In any case, it emphasises the difficulties which the Europeans will have to face up to, although there is no reason why efforts should not be made to solve them.

It is evident that we should foster no illusions in this respect. Indeed the American plan, the Kennedy plan, is essentially based on an extension of Europe. Obviously it is the whole of Europe they wish to enrol as partner. But we are still far from this unity and Mr. Biesheuvel's excellent report was realistic enough to observe that it was no longer possible to believe in integration as an automatic process.

I think, however, that the interdependence of America and Europe has never been so forcefully affirmed and has never been so strikingly manifested in practice. This interdependence is itself an argument in favour of a wide partnership.

I am well aware that one of the major difficulties we come up against—there is no point in burying our heads in the sand—is present French policy. But I wonder whether in a joint meeting such as this, we should not make a greater effort to emphasise certain principles, somewhat vague though they may be, which unite the different countries, including France, rather than continue violently to stress the points on which there is disagreement.

Indulging my curiosity, I referred back to some of the statements made by the President of the French Republic and some of his Ministers. It seemed to me in spite of everything that, with regard to fundamentals and the ultimate aim to be achieved, there was encouragement to be gleaned for the policy we are trying to promote here. Mr. Baumel, Secretary General of the UNR—I do not know whether he is present today—declared

before our Assembly: "We consider that our defence must rely not only on American power but also on European power; the notion of a monopoly is absurd when there is a partnership, and if there is to be a partnership between equal partners, then there can be no leadership".

Using slightly different words, although they link up with the equal partnership idea echoed by Mr. Hallstein and in repeated statements by Mr. Kennedy and members of his administration, Mr. Couve de Murville said only a short time ago—it was in June 1963: "the basic essential for America is to have, on this side of the Atlantic, a real partner, one conscious of his responsibilities and capable of facing up to them". Defending the Franco-German agreement on co-operation, which I believe is excellent in some ways, but which is also, or at least has been, subject to some criticism, Mr. Couve de Murville added: ". . . if Franco-German co-operation were to develop in the direction of a true political union of Western Europe, profound changes would come about for the good of all, in relations among the participating European countries and in relations between them and their allies, especially the United States. The alliance between Europe and America, on an equal footing in all fields, will be the final outcome."

I wonder whether, in spite of the trials through which Europe has passed recently, there is not something encouraging in the fact that the final objective for the more or less distant future—and it might well be the quite distant future—is fundamentally the same whether it is expressed by members of the French Government or by those of the Anglo-Saxon countries.

However that may be and whatever one may think of these points of divergence or convergence, it is quite obvious that we will not succeed in realising the Atlantic partnership at one fell swoop and that the idea still has to be thoroughly studied and worked out. I wonder whether we should not, in an Assembly like this, use our modest influence to persuade our Governments to move in the direction of what I will call an Atlantic "pre-partnership", in other words to proceed by progressive stages.

Of course, no comparisons are entirely valid and I do not attach extreme importance to the one I am going to mention. However I cannot help recalling that the Benelux Union—which can be said to have been a first example put before Europe and a first step in the right direction—which had to deal with very great difficulties, was preceded for a certain time by a system of pre-union. Perhaps it is on these lines that we should commence the Atlantic partnership and ascertain in what practical field one might bring about better understanding than that which reigns today.

The GATT negotiations might make a useful contribution to that end.

Why should negotiations, official or unofficial—what's in a word—not be opened between the European Community and the Free Trade Area in an attempt to reach a common policy in the tariff negotiations? For unless I am mistaken there are no real differences of opinion, in many fields at least. In this connection, one may possibly regret that during the recent Stockholm Conference the proposal of the Swedish Minister for Foreign Affairs for providing some sort of institutional framework to the negotiations between the European Economic Community and EFTA came to nothing.

It is, however, cause for satisfaction that the Stockholm discussions seem to have resulted in an agreement to bury the hatchet, to use the words of Mr. Heath, always optimistic—and he is right—and to facilitate concerted policy in certain cases.

Among the Ministers meeting in Stockholm I believe it was the Danish Minister who mentioned a certain number of problems of a technical nature, patents and such like, where agreements of this type might be negotiated forthwith.

Now that there exists a direct line, the "red line", between Washington and Moscow, might it not be possible to establish in Europe, not a red line—we have no need of that—but *mutatis mutandis* and without necessarily creating over-cumbersome and

over-complicated new institutions, certain contacts, permanent contacts, by means of which the Six and the Seven could endeavour to harmonise their attitude towards the United States in order systematically to prepare the ground—and this may be a long job—for the realisation of the final aim, the Atlantic partnership.

In the same connection—I do not know whether this personal suggestion, which I have not mentioned in the Political Committee, will appeal to anyone in this Assembly—would it be really impossible to utilise in one way or another certain elements of what has been called the Fouchet Plan? As you will remember this Plan at least had the merit—at a time when all hope had long been abandoned of realising political integration even among the Six—to suggest the constitution of what was I believe described as a political union, with a political secretariat, regular conferences of Ministers for Foreign Affairs and so on. The plan as a whole was considered quite inadequate by the Five, and it is also my personal opinion that it was inadequate both from the theoretical point of view and in regard to the future. Nevertheless it would have been a beginning, and a small beginning might perhaps have been better than nothing. And I do not know whether those of the Governments which so violently opposed the discussion of this embryonic political union are congratulating themselves today on their negative attitude.

Mr. Chairman, there is not much more I want to say. Naturally, I did not aspire to propose ready-made solutions. For one thing I merely wanted to place on record the fact that the Political Committee over which I have the honour to preside is profoundly interested in the idea of an Atlantic partnership. The idea in itself is a sign of progress and is the natural consequence of a *de facto* situation, the interdependence of European and American interests; I feel sure it will open the way to greater prosperity both of the American and the European continents.

For another thing I wanted to be realistic—for any other course leads to vagueness and is doomed to failure—and call

attention to the very real and very important difficulties which still persist.

And, believe me, in a spirit of hope and conviction, I wanted to recall that those who seem to be irreconcilably opposed on the ways of building Europe or the Atlantic partnership have nevertheless—and this is shown by repeated statements whose sincerity we have no right to doubt—the same aspirations for the maintenance of this Atlantic alliance, based on new foundations and on the precious and, in our opinion, indispensable principle of equality.

Finally, I wanted to tell you that we might make useful progress if we distinguished between what is possible in the immediate future and what is possible in the more or less distant future. I believe that with a minimum of good will and imagination, endeavouring as far as possible to understand the other man's point of view, we could in the coming months prepare the way intellectually and materially for what is and must remain our fundamental objective, a wide agreement, a wide alliance among all the Western countries which will strengthen not only their power, but also the *summum bonum*, the chances of peace in the world. (*Applause*).

The Chairman (*F*). — I thank Mr. Struye for having consented to open the debate.

I call Mr. Heckscher.

Mr. Heckscher (*Sweden*) (*Chairman of the Economic Committee of the Consultative Assembly*). — As the first unlisted speaker in the debate, I begin by expressing the gratitude that we feel in the Assembly of the Council of Europe and in the other Assembly for the two excellent reports and the three most interesting speeches. I am particularly grateful to the representatives of the European Parliament for the way in which they have met us on this occasion. They are meeting us in a spirit of debate, and in that respect I pay a particular compliment to Mr. Furler

for his speech, which showed that he wanted, and tried to achieve, the dialogue between the two Assemblies which we require and which we have not always had.

As you said, Mr. President, I have the honour to preside over the Economic Committee of the Council of Europe, and therefore I will deal chiefly with the economic aspects of the problem. But I am grateful to my colleague in the Political Committee for having taken up quite a number of economic problems also, and this leaves me free to enter into his domain and deal to some extent with political aspects.

We have agreed to concentrate the debate on the question of the Atlantic partnership. I should be grateful to those speakers coming from more Cartesian countries than mine for not attempting to define what is meant by "Atlantic partnership", because it is really still to some extent a hazy notion. It is partly a notion of a responsibility which both the Western European countries and the countries of North America have for the development of the world as a whole, but it is also a reference to the interdependence of the two areas. I think that it is not too much to say that neither economic nor politicial activity can exist without reference to what happens in the other.

But there has been one more dangerous and difficult difference of opinion as to what "Atlantic partnership" means. Obviously, some people believe that Atlantic partnership is a question of American preponderance over Europe. Frankly, I do not believe that to be true. The ideal of Atlantic partnership is, as has been said by other speakers, based on the idea of equality. The idea of equality here is not merely a hazy general principle. It does correspond to reality because, at least economically, Europe is definitely the equal of North America, if not more than equal. It is clear that economically—quite a different situation from that of 15 years ago—we cannot speak of any American preponderance over Europe, unless we regard *intendance* as something contemptible. No man can believe that Atlantic partnership today could mean American economic preponderance over Europe.

Of course, what I have just said is true only in one sense, as has also been pointed out. Western Europe can be the equal of North America, but no single country in Europe can be the equal of the United States. It is only on the basis of full European unity—not the unity of only some countries to the exclusion of others but of full integration in Europe—that we can achieve the equality between Europe and North America which should form the basis of Atlantic partnership. *L'Europe de la Patrie* can be the equal of North America. *L'Europe des Patries* cannot be the equal of North America.

In the political and military fields the situation is slightly different. There, one can easily speak of an American preponderance. The partnership idea in this field presupposes political integration. But, even with the political integration of Europe, there is a possibility—a more near possibility—of American preponderance, and the European countries have far to go together before they can be even jointly the equal of the United States in the military field.

On the other hand, European countries, even when weaker than today, have thrived together with the United States in NATO for a number of years, so it does not seem as though this American preponderance need cause them very great concern. I shall not enter too much into that problem. It might even be dangerous for me in domestic policies, for I come from a country which does not take part in the power politics or military policies of Western Europe or of NATO.

That brings me to the problem of to what extent can the so-called neutral countries—the countries living outside the Alliances—take part in an Atlantic partnership. It is clear that in the military field they cannot take part. It is equally clear that in the field of power politics they cannot take part. But they can take part, and want to take part, in economic co-operation, in an economic partnership, a very close partnership, and I would not exclude political partnership if one gave a wide definition to "political". Politics includes economic policies and also certain fields of foreign policy. These countries have never been loth

to take part in political co-operation aiming at world peace and at the resolving of existing conflicts. I believe that, in their modest way, these so-called neutral countries can also make a contribution to the Atlantic partnership.

I believe that in those countries, in other European countries and in the United States and Canada, the partnership idea is taken seriously—very seriously. It was, therefore, an enormous shock to American public opinion when the breakdown of the Brussels negotiations came about, and a very great setback—probably the most important setback as yet—to the policies of President Kennedy. The United States moves like a very big ship. It does not turn easily, but having turned it goes on at considerable strength in the new direction.

What is the new direction which American policy might take after what happened in Brussels? We do not know. But there is, to put it bluntly, a danger today of American withdrawal from Europe, or the possibility of it—perhaps some do not regard it as a danger; perhaps there are some who wish for American withdrawal. If they do, please would they say so openly? It would help the debate enormously if we got a clear answer as to whether they want the United States to withdraw from Europe. I wholly disagree with that view, but it is a perfectly respectable opinion which can be held and debated openly.

If, however, we do not want American withdrawal, how are we, in present circumstances, to avoid it? It is in this situation that the "Kennedy Round" takes on an added significance because, if the GATT negotiations and the "Kennedy Round" were also to fail, then the possibility of American withdrawal would undoubtedly increase very much. We must remember that the failure in Brussels took away one part—in many respects the most spectacular part—of the Trade Expansion Act which President Kennedy managed to wring from Congress. The so-called 80 per cent. rule—that is, the possibility of complete elimination of tariffs on products for which the USA and EEC account 80 % of world trade—is no longer viable in present circumstances. It would have been an important element in the GATT negotiations if the

United Kingdom had been a Member of the Common Market. It is no longer viable in the present situation. There are practically no commodities for which total elimination of tariffs would be possible. I think that there are one or two, but they are wholly unimportant.

What now remains is the possibility of reducing tariffs by 50 per cent. That is as far as the authority of the American Government goes. They are entitled to agree on reductions by 50 per cent., but they are not entitled to agree on reductions of 51 per cent., or 52 per cent., or anything above 50 per cent. It is here that the difference of opinion between the European Economic Community and the United States has arisen. The United States wants to use the power given in the Trade Expansion Act by across-the-board reductions of 50 per cent., or whatever can be agreed on. The Community has insisted that this is not a very just procedure. Mr. Struye pointed out that, while the incidence of tariffs in the Community is comparatively even, so that the reduction of 50 per cent. means more or less the same thing over the whole board, under the American system of tariffs the situation is quite different. The Americans have some very high tariffs and some very low tariffs and, therefore, a general reduction of 50 per cent. causes some of the disparities to remain, disparities which will undoubtedly have a negative influence on world trade. Moreover, they will have an influence, not only on the relations between Europe and the United States, but also on the position of third countries which might come to concentrate their exports of those commodities, on which the tariff remains very high in the United States, to European countries and thus flood the European countries with commodities to a much greater extent than they have been used to. Moreover, the tariff structure of the United States is not particularly easy to understand. The combination of different commodities in one item causes new tariff rules which the supplier cannot very easily understand.

There is a very good case for the objections of the EEC Governments to across-the-board reductions by 50 per cent. If I were given the choice, I would favour the EEC solution. I think

that it is, on the whole, a better solution than the proposal of the United States. But are we given the choice? As far as I can see, we are not. It is quite true, as was pointed out by Mr. Struye, that the American proposals call for a *cadre*, while the European proposals are more flexible. That is because of the differences in the constitutional structure. The United States has a constitution which calls for these *cadre* arrangements. We in the European countries are favoured, if that is the right way to look at it, by more flexible constitutions under which Governments can agree on one thing or the other without having to ask Parliament for authority in advance. That is not possible in the United States. That is why it is wholly unrealistic, I submit, to believe that it will be possible to get positive amendments of the Trade Expansion Act in the course of the GATT negotiations. Anyone with any contact with American politics will realise that it was a feat for the President to wring from Congress an agreement to the Trade Expansion Act as it stands today. To have it expanded, to have the President's authority increased before any single result has been seen from the existing Act, would be beyond possibilities for any American President.

Therefore, we do not have a choice. It is not a matter of getting greater American reductions in tariffs. It is a question of minimising the reductions in tariffs on the European side. That we can always do. We can always do that if the American reductions go no further than 50 per cent.: our reductions will have to be less than that. However, in the end, presumably we shall come down to across-the-board reductions of 12 per cent., or something like that. That is perfectly possible, if that is what we want.

I submit that it is not what we want. I submit that what we want is not to let the best be the enemy of the good, but to achieve a result today. There is always tomorrow. If the Trade Expansion Act shows itself to be viable, if we get results, if the President of the United States can point to an increase of markets for American products on the basis of the Trade Expansion Act, then, and not before, would it be possible for him to get extended authority, to go further, and to take up the discussions again.

If we fail, if we minimise the reductions, it will be at the expense of lower-tariff countries. That is one of the reasons why I feel rather strongly about this, as I come from one of the low-tariff countries. However, it will also be at the expense of the under-developed countries and areas which would be favoured by a general lowering of tariffs in Europe and which will suffer if no such lowering of tariffs comes about.

There is a body which has so far not been mentioned in the debate; that is, the OECD. The Consultative Assembly has gone on record, on the basis of several reports on European and American economic relations, as a supporter of the OECD. At the risk of being repetitive, I emphasise once again that we must try to make the OECD a working organisation. Whether it is that today is open to some question, but, after all, the idea came from the Dillon discussions between the United States and the Common Market. The countries of the Common Market and of North America have a responsibility to make the OECD an actively working organisation. We in the Consultative Assembly of the Council of Europe firmly insist on giving our support to this development of the OECD. We believe that it would be useful to have a Parliamentary Assembly of one form or another attached to the Organisation, if for no other reason than to do away with a number of transatlantic misunderstandings which are continually arising. However, with or without an Assembly, we Parliamentarians of the Council of Europe are anxious only to give our full support to the Organisation.

I have tried to prove that the way is open for reasonable policies in the relations between Europe and North America, that the road is open to a real Atlantic partnership in the economic field, and possibly in the political field also. Previous speakers have said that they were optimistic. To cause some discussion, may I say that I sometimes do not feel quite as optimistic as I would like to be. At least for the immediate future there are reasonable solutions, reasonable policies available, but will those in power be reasonable? That is an entirely different question. Vanities, resentments, sentimentality, and unreasonable fears are, as we all know, very often stronger in politics than reason.

People are apt to be swayed by considerations of this type—reasonable considerations—rather than by pure reason.

The academic background of some of us politicians does not help us in the least in this respect; but this, I believe, is true for the immediate future—we must be hopeful. In the long run, we must not desist from the hope of a united Europe in equal co-operation with the great peoples of North America in the realisation of a real Atlantic partnership. (*Applause*).

(*Lord Crathorne, Vice-President of the Consultative Assembly, took the Chair.*)

The Chairman (*F*). — I call Mr. Dillon.

Mr. Dillon (*Ireland*). — Yesterday, Mr. Gaetano Martino, paying his tribute to the memory of Robert Schuman, said he wished to recall "*combien cet événement afflige tous ceux qui ont pour idéal la liberté*". I remember, on the first occasion I addressed this Assembly a few years ago, the atmosphere of anticipation and hope that then enthused everyone present at the Council of Europe. I remember saying on that occasion that I could not conceive of all that enthusiasm and hope being engendered in the hearts of a wide company of experienced politicians if the only purpose we had in mind in working for a united Europe and an Atlantic partnership was the belief that by realising such things we could all get a little richer than before. I suggested to the Consultative Assembly then, as I do now, that if we lose sight of the real objective of European union and Atlantic partnership, the enthusiasm requisite for the realisation of these ideals will die.

I think Mr. Martino was right when he said yesterday that Schuman's death was a great loss to the cause of liberty because he believed in a united Europe and he inspired others who believe in it. He believed in an Atlantic partnership because he knew, as I think we should reaffirm, that without these things it is very doubtful whether freedom itself will survive in the world. I suggest to this Joint Meeting that the greatest danger to great

ideals is the tendency for their initial enthusiasm to degenerate into routine resolutions. It should be the function of this Joint Meeting of the European Parliament and the Consultative Assembly of the Council of Europe to prevent this happening and to reaffirm the belief of all Parliamentarians here that the realisation of a genuine European union and a subsequent Atlantic partnership is vital to the survival of freedom.

If that duty is accepted by us, I think we should examine our consciences from time to time to see whether, in the desire to be tactful and polite, we are not drifting into ineffective formalities in this Assembly. Unless we tell the politicians of Europe, of whom we form a not inconsiderable company, that they must remember Schuman and act accordingly, and unless we are prepared to live up to that precept in our own several Parliaments, the sooner we shut up shop at Strasbourg the better it will be for the world.

I listened with profound interest to the very informative and striking addresses given here this morning by our colleagues who were good enough to come to speak to us. I listened with particular interest to Professor Hallstein's definition of Atlantic partnership. My friend and colleague, Professor Heckscher, recoiled from the responsibility that Professor Hallstein was careful to take. I find myself in entire agreement with Professor Hallstein. I think his definition of Atlantic partnership is constructive and the kind of thing which the young people who come to listen to our deliberations would find calculated to fire their enthusiasm and make their hearts beat faster.

I am not so sure that he was on such solid ground when he undertook to define the future of the Common Market. When he said "quasi-federal", I felt the walls of the Elysée tremble. However, these matters of definition constitute dangerous ground, but I offer to Professor Hallstein a thought which he might develop on a future occasion. There is one fundamental distinction between the European Community and Atlantic partnership which some people in great places seem to have overlooked. Atlantic partnership envisages equality among its Members, while

the European Community predicates inequality among its Members. It is an entirely different kind of adventure.

There is a relationship which existed in Europe, and I hope it still survives, which made it possible for Luxembourg to work in confidence with France, which made it possible for Denmark to hope for the opportunity of working in economic community with Great Britain, and made it justifiable for Ireland to aspire to be an economic partner of Germany. I doubt whether that superb spirit has survived the events of last January. I trust it will have. It imported into the whole concept of the Community the ability of those who are manifestly unequal to work together in complete confidence, in the knowledge that all were working for the common good.

The Atlantic Community, the Atlantic partnership, was expressly declared by President Kennedy not to be conceivable unless and until there was in Europe a partner equal to the United States of America and that that partnership would be based on the principle of strict equality. I remember reading his words in his Philadelphia speech when I was taking part in the proceedings of this Consultative Assembly of the Council of Europe. They seem to have been ignored, when the President of the French Republic spoke of the danger of the European Economic Community being disrupted into some vague Atlantic community which France did not want.

It is vital for us to keep in mind that there is one fundamental distinction between the two concepts: the Community (an association of unequals) and the Atlantic partnership (an association of equals in a common cause). Does anyone stop to ask himself, when we get involved in all the elaborate discussions of economics and politics, all the work leading up, through the European Community, to the Atlantic partnership, what all the exertion is about? Why did we start on this road which, as Professor Hallstein said, is a road of considerable difficulty? I think Mr. Struye emphasised that it involves substantial sacrifices by those who intend in good faith to participate in this adventure.

The purpose, the ultimate goal, of the Atlantic partnership is the construction of a citadel of freedom which will stand as a notice to tyrants or would-be tyrants that there is here a citadel disposing of resources which put beyond doubt its ability to survive assault no matter whence it comes. The achievement of that gives us peace, it is true, but peace without freedom is enjoyed by every slave in acceptable jails.

The beauty of the Atlantic partnership is that it gives to those who are prepared to participate in it not only peace but the guarantee of peace with freedom. That is what free men want. That is something, a combination of things, without which free-born men do not care to go on living.

There are two matters of detail to which I should like to refer. Professor Hallstein referred to the danger of low-wage countries exporting merchandise to more sophisticated markets, with a consequent disruption of those markets. I wish to ask this question. Are we serious in suggesting that unskilled, low-paid labour can undersell in quality and quantity compared with the most modern processes that European industrial automation can produce? With respect to the Professor—whom I profoundly respect — I think that that is a Victorian concept which is as dead as the dodo.

We are liable to get ourselves persuaded that if developing countries frantically try to produce something that happens to compete with us, we are justified in putting on quotas and restrictions. These people see industrial processes which have such a high degree of sophistication and such an immense capital content that they are completely precluded from taking part in them, and they feel, too, that they will not be able to export the output of their own labour for fear of disrupting the economy of the automated countries.

What will a citizen of Malaysia feel if he is told to be on his best behaviour lest he upset the economy of France? I should be interested if, on some suitable occasion, Professor Hallstein would give us the latter half of his 20th century version of the justifica-

tion of the limitation of exports from low-wage countries on the ground that they threaten to disrupt the economies of the more sophisticated countries.

However, my primary intention in intervening in the debate today was to call back this Assembly from the alluring fascination of the highly technical and brilliant discourses to which we have been treated, and to come back to the simple political facts which even so distinguished an academician as Professor Heckscher recognises as being the things that still stir men's hearts. If we believe, as I believe, that European union and the Atlantic partnership is the sole effective defence of freedom, let us say so and warn the statesmen of Europe to get on with the job and erect a citadel. If, on the other hand, we believe that Khrushchev no longer wants to bury us, or maybe if we are foolish enough to believe that international Communism is no longer able to bury us, and if we break up into warring factions among ourselves, then we need not worry any more about European union or the Atlantic partnership.

But if we believe, as I believe, that international Communism never changes in its ultimate aim—its supporters may argue among themselves as to the best means of burying us, but the ultimate objective of Moscow and Pekin is to destroy freedom as we recognise it—our only hope of preservation is to create a citadel which fixes them with notice that nothing they can bring against us will effectively deprive us of the thing we cherish most.

If that is our belief, let us tell the statesmen of Europe that this Joint Assembly of the politicians of Europe expects them to get on with the job and to stop cherishing their chauvinistic hopes of dominance here or elsewhere, and realise that the spirit of the future must be the spirit which enables Luxembourg to work with France, Ireland with Germany, and Denmark with Great Britain, and that in that spirit, and that spirit only, resides the future safety of us all. (*Applause.*)

The Chairman (*F*). — I call Mr. Radoux.

Mr. Radoux (*Belgium*) (*F*). — Mr. Chairman, it can well be said that when the Council of Europe and the European Parliament meet together the whole of our continent is present—and by this I mean the Europe of 1949 in whose name so many great debates have been held within the walls of this building to determine what we should do to survive.

Throughout the 1950s, we frequently clashed with each other, some believing, certainly in good faith, in the virtues of co-operation between States, and other in the virtues of a new method: the Community method.

This is why, although our minds are no doubt on other things, although we may at present be thinking rather of the negotiations with Washington and the Moscow agreement, we can hardly pass over in silence the events that have occurred in Europe since our last meeting, in September 1962.

Free trade area countries and Common Market countries, the dispute of the 1950s would no longer concern us—it is a little out of date in these times of partnership and peaceful co-existence—if Great Britain's application for accession to the Common Market had been favourably received. This decision would have been enough to determine the course of events once and for all. Just as the era of a single dominant nation in Europe has come to an end, so also the partition of Europe would have come to an end.

So many things would have changed had we not had the tragedy of last January, since the presence of Great Britain in the Common Market would not only have been a considerable asset to the Community but would have meant a flow of other accessions. For those who would not or could not accede, close and irrevocable ties with the Common Market would have been established in one form or another. Finally, there would have been a better opportunity than we now have of finding an easier solution to Europe's problems in relation to Asia and above all to Africa.

In reality, things are quite different. We have met with a setback, and, more than that, we can never restore the *status quo*. A fresh approach is needed, and since Europe is no longer concerned only with its own problems but within a few months is going to be involved in one of the most important negotiations of our time, it is essential to know where we stand among ourselves.

Since last January the atmosphere has not been quite the same. Without deluding ourselves or indulging in undue optimism, we may be thankful that within the framework of Western European Union a link has been re-established between the Continent and Great Britain. We must also be glad of the way in which the working meetings are planned. They will give an opportunity for practical and timely discussions. We must also be thankful for the common intention of all concerned to do nothing to strain the existing economic and trade links between the Community and the other European countries. No one can say when true negotiations may be resumed, but we all know from our experience of national and international politics to what extent many things may be changed and the discussion of many others reopened, either as a result of human decision or as a consequence of unpredictable events.

So much, then, for what I may call the credit side of our mutual relations. Now I should like to make one passing remark: there has been, it appears, some idea of "institutionalising" the European Free Trade Association. Here, of course, I cannot do more than express my personal feelings and hopes. As a member of the European Parliament, I would ask my colleagues in the Council of Europe to regard my reaction as indicating my loyalty to the European ideal.

I would say frankly that it does not seem to me a good idea to institutionalise the European Free Trade Association. Let us do nothing to complicate the situation at a time when the United States are appealing to Europe, and let us do nothing that would in any way hamper us, in either camp, within Europe. We must not transform into a chronic disorder what is today merely a temporary disability.

Next, I should like to say a word about the Europe of the Six.

It seems to me not unnecessary, dealing first of all with the problems of the Common Market, to recall that in the minds of the authors of the Treaty, as also in those of the great majority of the members of the European Parliament, the Common Market is an open Community.

It was not made to order for six countries. It was made for the whole of democratic Europe. Obviously it is natural for the six countries that compose it today to enjoy advantages and facilities which are but the reward for the sacrifices to which they have jointly agreed. For those who cannot accede, association is a measure to which our Greek and Turkish friends have resorted; we are glad of that.

It is in the acknowledged interests of all Europeans that the Common Market should succeed, should continue on its successful way, that the Treaty should be applied, that progress should be hastened, that there should be a great deal more streamlining, because the whole world is watching us. In fact, Community Europe is making a stir in world affairs. For some, we are a potential partner, for others an example to be followed, and for others again a force to be respected or merely a hope.

If our nationalisms have caused suffering in the world, our Community can do much to ensure that friendship succeeds resentment.

That is why I wish to stress two points that I feel are essential. One is directly concerned with the everyday life of our three Communities, and the other refers to a stage farther ahead.

What can be done at once, what is possible to achieve today, is the merging of the Executives. Perhaps Talleyrand would have said that it would be, not a crime, but a mistake not to seize the opportunity open to us of taking a step forward that might well be a leap.

To merge the Executives would be to increase the internal strength of the whole Community. It would considerably

strengthen its authority in facing the fresh responsibilities that lie before it. I am thinking particularly of the negotiations with the United States. I sincerely hope that this step may be taken in the months immediately ahead.

The second move should, I think, be an effort in the political field. Here it is necessary to go back to the text of the Bonn Declaration of 18th July 1961 on a political authority.

The role of parliamentarians is to step in when the Governments are at a standstill. It would be wrong to say that the present Common Market is not engaging in politics. On the contrary, there are many examples to show that it does so, and successfully. But that is not what is at stake. What is at stake is the consummation of the whole European undertaking launched at Messina. The Common Market is a means. The end is political Europe.

The Council of Europe *Rapporteur* rightly remarks that we can give a valid reply to the United States only if we create a political union, because while *leadership* may be recognised or admitted, a *partnership* is organised, instituted and planned at the level of Executives and Parliaments. So long as we are not politically organised, the United States will continue to have an indisputable advantage over us in world affairs.

The Council of Europe report speaks of "a political union". I think as a member of the European Parliament I must ask the question: What political union? A special formula for Europe? An innovation for this Continent, wholly unlike any other system? No doubt. What is vital is that there should be no misunderstanding. We must have a Community organ; we must be loyal to the spirit of Messina. Speed is of the essence and we are terribly late; America is inviting us to form a partnership and we are inadequately prepared.

Relations with the Communist world concern us all directly, but we shall be engaging separately in the movement that is now taking shape and there is a danger that we shall find ourselves

even more widely separated later on. Undoubtedly we should all gain by making an effort towards a true political union.

The excellent reports submitted by the Council of Europe and by the European Parliament, deal largely with the forthcoming negotiations with the United States, and Mr. Hallstein most appropriately centred his admirable speech on this question.

Although the negotiations are of course concerned with trade and economic policy, the issue is nevertheless ultimately a political one. If the negotiations succeed they will simplify the solution of trade problems between us Europeans. They will lay the foundation for fresh relations between us and the Americans. Finally, they will make it possible to offer the developing countries the salvation they seek both from Europe and from the United States, because together we are able to give it to them.

The promulgation of the Trade Expansion Act proves that the President of the United States saw things clearly.

The West no longer consists of a continent on the one hand and a number of countries on the other. Nowadays its components are America and Europe, which must together find a new basis for co-operation. All the consequences of the partnership, economic, political and military, must be followed up. The Trade Expansion Act may be one of its pillars, but the plan for a multilateral force is another. If, on both sides of the Atlantic, every effort was made to accept the logic of the system, further progress towards co-operation between America and Europe would be possible; not only is their defence indivisible but their political and economic co-operation would guarantee the West a prestige without equal in the world. If we took the trouble to explain our conduct in the past we might thereby achieve better results in the future.

After the admirable speeches that we have heard on this subject I shall content myself with saying that we must congratulate the United States on having proposed these negotiations; we must be glad in Europe that it is the existence of the Com-

mon Market, that made them possible; and finally—this seems to me important—that the spirit in which they are carried on will be a test of the conditions under which our own Community will continue to develop.

I shall say a final word on relations between East and West. Is the Moscow Agreement to be regarded as an isolated measure, rather technical, without further consequences, or should we, on the contrary, think of it as the starting-point for some really important achievement in relations between East and West?

I confess that I share the opinion of those who think that the Moscow Agreement is not only important but is what one might call an event. Let us consider it in its proper context. It is true that it is not an agreement on disarmament nor in any way a renunciation of the ideological contest. But it is perhaps, as things stand at present, something much more important than that; it is the first encouraging feature after fifteen years of defiance, challenges and mistrust. It is a first step towards true discussions.

It also proves that the Russians and the Americans have found that they have some interests in common, and this counts for more than oaths and solemn declarations.

Are we to stop at that? When in 1959 at Novosibirsk Mr. Khrushchev declared that the Communist world would employ all means short of force to enable the whole world to enjoy the benefits of its doctrine, people believed him. Is it wrong to say that their number has continually increased? I think that in the coming months the number of people who believe that something extremely important has happened and is about to happen will also continually increase. For years we have lived in a state of fear, in the cold war. What were we hoping for? —that Communism would disappear one day as if by magic? Certainly not. What were we resigned to?—to war, which only fatalists still believe to be inevitable? No more than that? We imagined that negotiation would some day be possible. Our task today is to bring negotiations to success.

I must say I feel a little anxious and unhappy to find that some people reject negotiation as if it were synonymous with withdrawal and giving up. If we can negotiate, it is because the West is strong. There is no question of any threat to our security; but security is not synonymous with immobility. My Dutch colleagues will understand the expression « *de stok achter de deur*", "the prop behind the door". If the prop is there, people may go through the door, contact may be established and confidence gradually revived. We are obviously still far from any great step forward, but what is essential today is "to strive, to seek, to find, and not to yield".

Now that we have the "hot line" and the agreement on the partial cessation of nuclear tests, other steps must be taken. We know what they are, too; they have been the subject of public statements. I would say only that two questions seem to me, in any case, to call for our attention. These are the German problem and the situation at Berlin.

In negotiations with the Soviet Union, as within the six-Power Community, we must apply the principle of non-discrimination with regard to the Federal Republic. In saying this, I am not thinking so much of what is commonly called the German problem. It is not customary, when negotiating, to start with the problems on which views are most widely separated. I am thinking of the many projects for a neutral zone. I support them, but on certain conditions, one of them being that such a step must not threaten our security in Europe and must involve no discrimination against the Federal Republic.

As to Berlin, I shall say no more than that its safety concerns us all and that the question is whether its status, established twenty years ago, could not be changed without endangering that safety.

Having said that, I think, that among all the measures discussed, the most interesting is the creation of fixed observation posts to prevent surprise attack. What a triumph for the peace policy if we could succeed and if we could in some degree provide

an additional guarantee for our security, the value of which would be obvious to all!

But I repeat, in conclusion, that what matters today is action. Wisdom seems to me to consist not in refusing to discuss matters, but in encouraging discussion, on the definite condition that we must not relax our efforts to preserve our security—the very efforts that make it possible today for us to negotiate.

Mr. Chairman, as Mr. Pflimlin said this morning with his usual felicity, our Europe today is a place which the world is not merely watching, but courting.

We have rediscovered our strength. It is immense; but are we capable of using it? The greatest service that we Europeans can render the rest of the world is to contribute to the building of a solid West, directed by the two potential Powers that compose it—but, to that end, we must persevere in the building of a truly united Europe, remaining faithful to the spirit of Messina—and also, in the discussion between East and West, to be active in the cause of peace, failing which all the rest is of small importance. (*Applause.*)

The Chairman (*F*). — I call Mr. Gustafson.

Mr. Gustafson (*Sweden*). — We have been asked to concentrate this debate as much as possible on two subjects—the coming GATT negotiations and the question of Atlantic partnership. Before coming to that, I would like to say a few words about what has happened since we had our previous Joint Meeting a year ago and about the present situation as I see it.

At last year's Joint Meeting we were rather optimistic in many respects. We foresaw, for instance, further expansion in Europe, especially within the EEC, and we were right. It is true that the slowdown in the rate of growth continued and that the progress during the last year may perhaps be characterised by the headline in one of the biggest economic periodicals in the

world—"EEC Hastens Slowly". But all the same, the rate of expansion has been satisfactory.

We were, perhaps, less optimistic about the outcome of the negotiations regarding the enlargement of the Community. But although many of those who took part in the debate sounded a rather pessimistic note, no one made the prophecy that the negotiations would completely fail. We saw the difficulties but we thought that they could be overcome.

In the introduction to its 6th general report, the EEC Commission says that when the negotiations were interrupted there was a reasonable chance of reaching agreement. It added:

> "There can be no doubt that the chance of success was great enough to justify the continuation of the negotiations."

The Commission further says that the interruption led for the first time to a major crisis in the Community. This fact is underlined in Mr. Bisheuvel's excellent report in which he says that rarely did the hope of definitely reaching the goal of unification of the European peoples come so close to foundering. Rarely at any rate was it so frequently checked as during the period reviewed in his report.

The lack of a common EEC approach in this important matter is further emphasized if we quote the words of the President of the EEC Commission at last year's Joint Meeting. Professor Hallstein then said:

> "The ability of the Community to act in its dealings with the outside world as a single entity speaking with one voice for all its Members must be retained even if the number of Members increases."

To this we can only say that, although the number of Members has not been allowed to increase, there have been difficulties in this respect.

I have been very frank. Some may say that I have been blunt. But I have not gone further in criticism than the EEC Commission itself and I am by no means forgetting the progress made in other fields. As *Rapporteur* of the Economic Committee

of the Consultative Assembly, I have read the 6th general report with great interest, and as usual was much impressed by the remarkable success shown in many directions.

But success can more or less take care of itself, so we need not dwell so long on these matters. But what we in this Joint Meeting, with our joint responsibility to Europe, have to discuss seriously is what we can do in order to go forward and lay a new foundation for the integration of all the member countries of the Council of Europe in a single market, which we regard as a pre-condition of that ever closer union among the European peoples to which, by the Treaty of Rome itself as well as by the Statute of the Council of Europe, all of us are pledged.

Some policies, as a means of promoting further progress towards further integration, are outlined in the general report. Some progress has been made after the publication of the report, but that is, in my opinion, not enough. We are waiting for new initiatives from the EEC Commission, which, as the guardian of the Treaty of Rome, cannot regard the association treaties with Greece and Turkey—good as they are in themselves—as an adequate fulfilment of its duties towards other European nations. The other countries, of course, and in particular the EFTA Members, have their responsibility to do everything in their power to avoid any measures that would make the European countries drift further apart and to take every step, however small, that is at present possible towards European economic integration.

I come now to the question of the GATT negotiations—the so-called "Kennedy Round." In these negotiations the three big world traders will meet: the EEC, which is the biggest of all, the United States and EFTA, which are of the same size as regards their world trade and in this respect are not far behind the EEC. But the negotiations are not only an affair for the Big Three. Many of the developing countries will be present and will have their say, as they will to an ever larger extent at the United Nations World Conference on Trade.

What they will demand in these negotiations is not charity. They will demand their legitimate rights. They can rightly say

that they have financed part of the economic expansion in the industrial countries by the fall in the prices of raw materials, and they can criticise us for not having been able to solve the problem of stabilisation of these prices.

We are faced with a challenge not on an EEC basis, nor a European basis; not even on an Atlantic basis. We are faced with a challenge on a world basis, and we cannot afford to fail in these negotiations. In 1958 and 1963 we had to record failures on the European front, and they were serious enough. But a failure in the GATT negotiations would have such economic and political repercussions that everything must be done to bring about a positive result.

There have been many speculations regarding different combinations between two of the three big world traders against the third. But surely we cannot afford the luxury of indulging in a family quarrel when the future of the whole free world is at stake. The "Kennedy Round" must not develop into a United States-EFTA round, or even a United States-EEC-EFTA round. It must become a world round, based on a liberal trade policy and co-operation with the developing countries.

In this connection I fully agree with what Professor Hallstein said in his very lucid and penetrating speech today—that such a liberal trade policy must be accompanied by a concerted economic policy. As all the big three world traders have declared themselves in favour of a liberal trade policy, the prospects for the negotiations ought to be good. But we must not overlook the difficulties, particularly as regards the agricultural problems.

Mr. Biesheuvel, in his report, underlines the fact that the aim of the common trade policy of EEC is to facilitate and not to restrict international trade. When deciding its agricultural policy the EEC must be bound by Article 110 of the Treaty of Rome, which is a pledge to contribute to the harmonious development of world trade. This must, as I see it, be interpreted as a stand against any attempt to obtain self-sufficiency within the borders of the EEC.

Professor Hallstein said in a speech in New York in March: "To pursue a liberal policy is more than a choice for the Community: it is its duty." This is true not only with regard to the EEC but also with regard to the other two big world traders—the United States and EFTA. (*Applause.*)

The Chairman (*F*). — I now call Mr. Toncic.

Mr. Toncic (*Austria*) (*G*). — Mr. President, on page 17 of Mr. Biesheuvel's report mention is made of Article 228 of the EEC Treaty under which the EEC Commission has the right and the duty to negotiate agreements with foreign States. The report also asserts that in the GATT negotiations and in the negotiations with Great Britain, this obligation was not, or could not be, fulfilled because the Governments took upon themselves the main responsibility for or main burden of these negotiations.

An institution which seeks gradually to rise above national sovereignties must be given the responsibility of negotiating on behalf of its Members. The principle laid down in Article 228 is therefore completely logical and desirable. It would be to the advantage of those States which do not belong to the European Economic Community, if this principle were observed in practice. For, if the EEC could negotiate on the basis of a single conception, through a single organ, as a single entity, the position of non-member States would be made considerably easier. The States outside the Community have not yet taken up this question of the Community as a single negotiating partner, but, for the point I now propose to discuss, it is of great significance.

In one section of his report, the *Rapporteur* deals with relations between EEC and the States which have applied for association. His statements are very constructive on the whole and for that I am very grateful to him. He has created an atmosphere—and this is true also of other bodies, which is very favourable to the resumption of negotiations. On page 43 of the report, where he gets to the crux of the problem, he says that two

formulae for the solution of the association problem appear to him impossible;

> "A straightforward free trade area was not practicable either technically or politically."

And he goes on to say:

> "Similarly, a customs union that was not supplemented by a common policy in certain sectors, particularly a trade policy, could not be described as realistic."

Thus he finds that two—theoretical and practical—solutions are impossible. A customs union seems to him only feasible if based on a more or less uniform political outlook. The problem then becomes complicated, for, if it is contended that the only two possibilities of implementing a policy, both of them desirable in themselves, namely a free trade area or a customs union, are not realistic, one is left wondering what method the *Rapporteur* does regard as possible.

I recall a famous speech made by Mr. Spaak, then President of this Assembly, on the day he took his leave. He spoke of the wisdom of our deliberations and the wisdom of our conclusions. But he also said that this wisdom of ours was fatal. That sentence, spoken ten years ago, is still, I believe, true today. If we expend our efforts showing what is not possible without finding an answer to the question of what is possible, then our wisdom is not constructive but negative. In our endeavours to achieve European integration, there is no place for the word "No".

This practice of leaving the fundamental question unanswered, is particularly reprehensible in this case, because later on, on page 51, the *Rapporteur*, speaking of a specific case of a positive solution of the association problem—that of the Netherlands Antilles—says:

> ". . . they would become an integral part of the free trade area which association essentially provides."

He is stating, in other words, that the concept of a free trade area is the essential element of an association.

But the question I now ask myself is: How is it possible to regard the concept of a free trade area as acceptable in a specific case—namely, in this one—and not in the solution of a European problem? The *Rapporteur* does not tell us why it is not possible. To be sure, they are completely different things, as somebody has just pointed out to me. But the report does not explain in what way they are different and that is the point I am coming to.

It would interest me to know wherein the impossibility actually lies. Why is an association agreement or an arrangement or a contract—whatever you like to call it—between a Member of the Free Trade Area and the European Economic Community as a whole absolutely impossible on the basis of a free trade area solution?

One other point: surely no one will imagine that, for instance, any agreement that is concluded between an EFTA State and EEC will have the effect of raising the tariffs between that EFTA State and the other EFTA States. No one can really regard that as a realistic consequence of such an agreement.

There is, after all, nothing absurd about a solution whereby a member State of a free trade area lowers its tariffs, *vis-à-vis* the European Economic Community, which would be a big step towards European integration, but maintains its tariffs in trade with third countries, in particular circumstances, by reason of its customs autonomy. At any rate, let anyone who rejects this idea prove that it is absurd.

That is the point that interests me. After all, it is not particularly objectionable to try to find solutions for this problem. No solution will ever be found if we keep on saying "No" to everything and rejecting out of hand every solution that is proposed. We need practical and constructive suggestions, if we are to make any progress. There is nothing reprehensible or undesirable in our racking our brains here to find ways and means of making some headway.

But there is still another point I should like to make. I will be quite frank. Every time we in Europe have come forward

with a daring plan, it has always been knocked on the head by some authority or another. I can remember that when the idea of a European political community was first mentioned here in this Assembly, in this very Chamber—even before a treaty was ever thought of—the Governments said to us: that is utterly fanciful, do not meddle with such questions!

Then there was the European Defence Community. We were just on the point of setting up a genuine European, I may even say, supranational defence community when once again the blow fell.

Then just recently, pursuing our policy for the expansion of EEC, we had all but succeeded in establishing an association with Great Britain, to be followed by that of Norway, Ireland, Denmark and other States, when our plans were once more thwarted.

That must be a lesson to us. Perhaps this Continent of ours is not yet ready. Perhaps our faults and shortcomings are such that we cannot take these mighty leaps forward. But even if we cannot advance by leaps and bounds, nothing will be achieved by saying: either supranational or nothing at all. What we must say is: either nothing at all or something more modest. If the integration of Greater Europe cannot be achieved in any other way, then let us be satisfied with something less ambitious to start with, in the hope or conviction that a bigger step towards complete European integration will be possible later.

To certain European countries which, for one reason or another, are unable to consider full membership of EEC—not because they do not want to, but because they cannot—the free trade area solution perhaps seems to be the only feasible one for the time being. Consequently, we must not say: we want full membership or nothing at all.

That, Ladies and Gentlemen, is frankly the problem that confronts us. We have here an excellent report, but since it does not answer that vital question, does not state explicitly what

exactly we must do, we are still without a solution to our problem.

I have not so far seen any objective, logical or convincing argument to prove that, for certain European countries, a provisional solution of the political and economic problems between EEC and a State which is not yet a member of the Community, cannot be reached on the basis of the free trade area concept.

That, Ladies and Gentlemen, is what I had to say to you. I beg the Members of the European Economic Community not to take offence. If we ask a question and that question goes unanswered, it remains open. But it is not the questioner's fault that the question exists. (*Applause.*)

The Chairman (*F*). — I call Mr. Duft.

Mr. Duft (*Switzerland*) (*G*). — Mr. President, Ladies and Gentlemen, it is with keen interest that I have listened to the excellent addresses of Mr. Furler, Mr. Hallstein and Mr. Struye and read the authoritative report by Mr. Biesheuvel, Netherlands Minister for Agriculture. They all reveal the profound concern felt over the present European situation and create the impression that, at the moment, European unification is in a bad way.

Nor does there seem any way out of the crisis which has been building up in Europe since January this year. We are forced to recognise the sad fact that, since Great Britain was prevented by the French veto from entering the Common Market, all other efforts towards more or less close collaboration with EEC have been shelved.

I will not conceal from you that this situation is looked upon in Switzerland as the typical reef on which European endeavours towards integration are liable to be wrecked, because of a tendency of the all too strong national aspirations to assert themselves. The oft-emphasised desire of the EEC Commission for a federalist Europe also threatens to founder on the same reef.

It is by no mere chance, therefore, that the belief has been gaining ground in Switzerland in the last few weeks that competent circles lack that understanding of the indefeasible, specific and fundamentally democratic necessities of life and the consequent strong, natural desire for independence, which is a prerequisite for any fruitful and successful co-operation.

However, if we can count on the statements in the Biesheuvel Report being generally acknowledged in Brussels also, then there is every possibility that this understanding will grow. In the political part of his report, Mr. Biesheuvel, in fact, states that the existence of the Neutrals is in the interests both of the Community and of the other Powers and that it should be possible to reconcile pragmatic solutions. On page 13 we read:

> "Having regard to good neighbour relations in Europe, and in order to comply with the spirit of the Treaty, the aim should be to find forms of co-operation with the neutral countries which, so far from creating a dominant negotiating position based on the disproportionate economic superiority of the present member States, will lead to honourable solutions which pay due regard to realities."

In spite of the uncertain prospects with regard to the development of European integration policy, Switzerland, which takes her responsibilities towards Europe seriously, is also determined not simply to let things take their course. From the very outset, she has pursued her own conception of a possible integration policy and finds in it a source of strength in the present precarious situation and clash of opposing European opinions. Now more than ever, it appears, we have reason to adhere firmly to the well-tested principles of our foreign policy and maintain our democratic-federalist independence and neutrality.

Our active contribution towards the success of the so-called "Kennedy Round" of GATT talks is proof that we will not be satisfied with the mere verbal protestation of our Europeanism. We hope that the GATT negotiations on tariff reductions, the decisive importance of which is also stressed in the Biesheuvel Report, will at last convince participants of the necessity of

abandoning economic regionalism in favour of a universal trade policy. From this standpoint the tariff negotiations will be a sort of test-case.

The Kennedy Plan stresses the new technical development from item-to-item to across-the-board changes in customs tariffs.

As is known, it is not, technically speaking, a question of reciprocal concessions in individual customs rates, but of a general uniform lowering of whole series of rates, if not entire customs tariffs. Basically, this is a result of the fact that in the last few years the GATT item-by-item tariff rounds yielded steadily slenderer results from round to round, culminating in the disappointing "Dillon Round".

Attention should also be drawn to the fact that EEC and EFTA have both already adopted the across-the-board method, which also offers numerous compromise possibilities and enables account to be taken of differences existing between the member States of GATT as regards economic structure, production trends and stages of development. Furthermore, the good will and earnest efforts of the negotiating partners to bring about the liberalisation of Western-world trade will decide whether aims to prevent reciprocal trade policy discriminations can be attained.

We must not, however, overlook the fact that a halving, or at least a substantial lowering, of Western tariff walls, including those of EEC, would go a long way towards liberalising world trade. The dangers of increasing mutual discrimination by EEC and EFTA would also be considerably reduced at the same time. Success in the "Kennedy Round" might break the uneasy deadlock in which current European integration policy, threatened by contradictions and disagreements, has ended. In a memorandum of November 1962 the EEC Commission itself strongly urged that the possibilities offered by the Trade Expansion Act of liberalising world trade be exploited to the full, not least because success in the tariff negotiations would contribute greatly to solving the problem of relations between the Common Market and European third countries outside its customs preference area.

If these facts are taken into consideration, it should be possible, even in the case of the sometimes admittedly considerable disparities in tariff charges between the USA and EEC, and also EFTA, to reach an agreement favourable to a world trade policy. Justification for the demand for a levelling-out of particularly high customs rates and the fixing of a more or less uniform maximum limit, cannot easily be contested. But it should not be turned into a matter of prestige or tactics. I may be permitted, in this connection, to recall the early fifties. Swiss trade policy leaders endeavoured within the framework of OEEC, as it was at that time, to bring about a general reduction in tariffs. Our negotiators encountered stiff opposition from the high-protective-tariff countries, not least from France. This provided a genuine or tactical pretext for rejecting the entire tariff-reductions programme. I feel it is expedient to mention this example because of the characteristic light it throws on the GATT tariff negotiations due to begin next year.

While recognising the complexity and extraordinary difficulties of the agricultural problem which has created such strong tension between EEC and the USA, it would be wrong to interpret it merely as a desire on the part of Western Europe to be self-supporting. On the other hand, the USA should be warned against making the solution of the agricultural problem into a central issue. Total failure to reconcile the interests of the various economies would inevitably mean equal failure in the "Kennedy Round", and the West would once more be back where it started.

Switzerland welcomed the Kennedy Plan from the outset, not only for political reasons, but also from generally objective trade and economic policy considerations. The dangers of prolonged customs policy discrimination no longer fill us with such apprehension as they did at the beginning of the trade policy split. Thanks to the favourable economic situation they turned out to be less serious than had been feared. Swiss exports to the EEC countries have risen steadily in the last few years. In 1962 they were 10 % higher than in 1961 and 50 % higher than in 1957, the year in which the Rome Treaty was signed. In these five

years the EEC countries' share of total Swiss exports increased from 38.5 % to 42 %. Provided the percentage does not become too low, large sections of the Swiss economy should be able, even despite an integration policy split, to maintain a substantial measure of trade with EEC. Consequently, it is in our interests and, we are convinced, in the interest of Europe as a whole, to prevent any further widening of the gap between the two European economic *blocs*.

Let us, therefore, do our utmost to strengthen EFTA too and thereby contribute to bridging the gap when the time comes. The additional integration efforts, for the success of which increased adaptability is indispensable, will facilitate co-operation with EEC later. The success of the "Kennedy Round" will provide a powerful stimulus to this preparatory work. The EFTA countries consequently accept the unavoidable difficulties deriving from the accelerated establishment of the small free trade area. The fact that all attempts to break up EFTA by multilateral or bilateral association with EEC before it should be firmly established, have failed, is all to the good of Europe as well as of the seven States. (*Applause.*)

The Chairman (*F*). — That concludes our list of speakers. I shall now adjourn the debate until tomorrow. Does anyone wish to speak? . . .

The debate will continue tomorrow at 10 o'clock.

(The Sitting was closed at 6.15 p.m.)

SECOND SITTING

WEDNESDAY, 18th SEPTEMBER 1963

IN THE CHAIR: Mr. GAETANO MARTINO

President of the European Parliament

The Sitting was opened at 10 a.m.

The Chairman (*I*). — The Sitting is open.

1. *Activities of the European Parliament (Resumed Debate)*

The Chairman (*I*). — The Order of the Day this morning states that the debate will include a general exchange of views between members of the Consultative Assembly of the Council of Europe and members of the European Parliament.

I call Mr. Ridley.

Mr. Nicholas Ridley (*United Kingdom*). — It is my privilege to address the Assembly, as the *Rapporteur* of the Economic Committee of the Consultative Assembly, upon energy questions. I should like to thank those who spoke yesterday, particularly Mr. Sassen, of Euratom, and Mr. Coppé, of the Coal and Steel Community, for their reports. I will deal with both

Euratom and Coal and Steel Community matters in this speech, which I promise will not be too long.

Both Executives regret, as we all do, the breaking off of the Brussels negotiations. There is nothing more that can be said than to regret this. It is impossible that we or any other country should join the Coal and Steel Community or Euratom instead of joining the Common Market as a whole. We must be inside them all or outside them all. As far as we can see, it is outside them all that we must be.

Our minds turn naturally to consultation between the two groups in Europe. It is a pity that we are in the habit of referring to the United Kingdom and the Common Market. We should think in terms of the Common Market and the rest of the members of the Council of Europe rather than just the United Kingdom alone. It may well be that in the two fields of coal and steel and of nuclear energy it is our country which has the most to offer, but we must not allow this to go too far by talking about the United Kingdom only.

I cannot help feeling that it is a very depressing and negative approach that we now have—when all we can say is that we must have collaboration so that, as far as possible, the policies of one group will not hurt the other group, and *vice versa.* A few months ago we all hoped to bring forth an elephant. All we have brought forth is a mouse. When one considers the politics of coal and steel and energy, one sees how bound up these are with national policies, which still predominate where one has nothing stronger than an agreement to collaborate. In the circumstances, if it is a question of votes and political concessions—we all know how sensitive the problem of coal is—I am certain that it will be national and not European policies which will predominate.

We are to a large extent inter-dependent in all these matters. Without the political will to unite, however, without what Mr. Struye called the minimum of good will, there will be no chance of achieving a major collaboration in this field. I am sure that I shall be agreed with if I say that the most hopeful

field for collaboration lies in research. I think that this is borne out in the two draft reports which will be debated later this week in the Consultative Assembly but which I think we can usefully discuss at this Joint Meeting—the draft report about Euratom's report and the draft report about the Coal and Steel Community's report. In the latter we have, in paragraph 7, described the research going on into the new uses for coal, and, as coal is taking a declining share of the energy market year by year, anything that can be done to find new uses for it is obviously desirable.

I think that here surely all the countries of Europe could well co-operate. It is similarly the case with the new economic phenomenon that is beginning to appear. This is that as gross national products of industrial countries increase, as their wealth increases, so the consumption of steel does not increase equally and lags behind in its rate of increase. The reasons for this are complex and hard to find, and we welcome the investigation which the Coal and Steel Community is conducting into this. I am certain that by collaborating with the United Kingdom the Community would find that there was much to be learnt on this subject.

With regard to collaboration, we lay particular stress on the importance of scientific and technical co-operation into all the different nuclear fields. This is beyond me as a layman, but it must be apparent to all that there are dangers of overlapping—dangers of different groups and different countries spending enormous sums on the same work. The bigger the degree of co-operation the less we shall waste our precious resources.

It is said that so much of what goes on in nuclear research is of commercial value, and if we tried to swap too much of this information one group would be giving commercial secrets of immense financial value to another. We understand this point, but surely by swapping these pieces of knowledge on a more or less equal basis we could save ourselves a lot of trouble as well. I urge all concerned to co-operate as much as possible to avoid duplication.

Then, there is another question on which we could co-operate —oil stocks. I wish to apologise to Mr. Gustafson, because this is within his province, but I am sure he will not mind if I allude briefly to European oil stocks. Our policy in the Council of Europe is well known. We do not think it wise to have undue dependence upon the Communist *bloc's* oil supplies, and we think that it would be wise to develop the oil stocks of Europe to a high level, so that we could weather any crisis which would involve fuel being cut off by military or political upheavals. That applies to investment in productive capacity, refineries and the transport network necessary.

It is obvious that if there were one black sheep in Europe which failed to build up stocks, that country would have to draw its supplies from other European countries which had taken the trouble to build up stocks. That would be a bad situation. I therefore welcome the study that the Commission is undertaking into the question of oil stocks. Here is a clear field for European action to ensure that all Members of the Council keep their stocks at a high level in order to ensure weathering any crisis together.

Now, I come to the question of steel. Here, Mr. Coppé made encouraging remarks about what is being done to avoid surpluses building up in the world steel market, forcing prices down and member Governments to resort to concealed or unconcealed subsidies, either for the production of steel itself or for the production of the heavy steel-using industries. If this is allowed to go on, it will be in no one's interest. The more that can be done by co-operation between European countries and the High Authority, the sooner we shall be out of this difficult dilemma.

The main point I want to discuss this morning concerns the European energy policy. This has been discussed and discussed ever since the Communities came into existence. In the programme of work which the European Economic Community has set itself for this year, I see these words: "The Council also agrees that it is appropriate to pursue and intensify efforts to establish a common energy policy." After six years it is sad to a European to think that it is necessary to use such strong language on such

an obvious topic as a common energy policy. We heard from Mr. Sassen yesterday about the two inter-executive groups on energy and the reports which they have put before the Council of Ministers on how a common energy policy might be secured. The Assembly of the Council of Europe has done a lot of work on this subject to try to help. Document 1463 is indeed a major testimony to that and it contains much vital information and many good suggestions. We have this year added to it a statistical addendum bringing all that information up to date and codifying the latest changes.

But nothing happens. There is no agreement on energy. We understand the difficulties. We understand that some of the nations of Europe are big coal producers which wish to protect or subsidise their coal industries, but other nations are big oil importers with no indigenous resources, and they wish to avail themselves of the cheapest energy that they can get and to base their industrial market on the cheapest energy in the world. We see the dilemma between these two points of view. We understand the difficulty caused by the fact that the Community structure is split into three—Euratom, the Common Market Commission, and the Coal and Steel Community, all three being concerned with energy matters—Euratom with nuclear energy, the Coal and Steel Community with coal, and the Commission with oil. Although we appreciate the difficulties this causes, these reasons are not a justification for there being no energy policy, because the whole point of coming together, of European unity, is to achieve an ironing out of the different points of view.

What is worse, one suspects that perhaps there is a deeper reason why there is no energy policy in Europe. There are more negotiations, more arguments, more investigations going on, investigations in Algeria into the future of that large reserve of oil which now is available in the Sahara. We all know that in times of surplus conditions it is no good possessing oil, no good being a country with large oil reserves, unless there is a market in which to sell that oil. Surely whether there is a market to sell Saharan oil depends on whether there is an energy policy in Western Europe and what that energy policy is. One can see

that perhaps there will not be an energy policy for Europe and no progress towards it until this question of Saharan oil has been solved. It is a sort of economic vice which some countries are able to hold the Algerians in.

This is another example of the lengthening shadows in Europe, another example of how European unity is being bent and distorted for one small national aim. It would indeed have been hard to solve the problem of the energy policy without all these difficulties. It might have been harder still to solve it if the United Kingdom had joined the Common Market. The United Kingdom produces 200 million tons of coal and 30 million tons of steel each year. It is a sad reflection also that, if we had succeeded in joining, it would probably have been very much harder to achieve this energy policy.

Surely it is obvious that this problem must be solved, not in the context of the Common Market alone, not in the context of EFTA alone, but in the context of the whole of Europe, *plus* North America, because our coal imports into Europe come from North America and, whether we like it or not, and whether our political systems reflect it or not, the two markets are intimately connected. Yesterday we talked a lot of Atlantic partnership. This is a concrete example of where Atlantic partnership would be of immense benefit in the economic affairs of Europe. I could not help thinking, although perhaps this is a digression from my subject, that to hear this Joint Meeting so keen on creating an Atlantic partnership was indeed most helpful and most hopeful; but it was very strange that I, an Englishman, should be told that it was because of the possibility of Atlantic partnership that my country could not join the Common Market.

While we are divided in our economic groupings, while there are EFTA and the Common Market and those who are members of neither, the international oil industry can divide and conquer our fuel policies. It is true that the oil industry has achieved an international status, while we who talk so much about it—we politicians—still remain in these small fragmented groups. While this is so, while business rules the politicians, the oil industry

will always be able to subsidise here, to increase its prices there, and to play the whole world energy market to its own tune, and we and our people will be the sufferers.

It is for these reasons that we suggest in these reports that we should try a new tack, a very small step indeed, you might say, but surely something could be achieved, something on an international plane. We suggest that there should be an agreed system of assessing the competitivity of nuclear power stations throughout the Western European world.

There are many factors which make it very difficult to assess whether a nuclear power station is going to be competitive with conventional stations. There is the question whether it is to be in an industrial complex which exists, or placed on some remote peninsula far from other power installations. There is the question of the load factor at which it will run and whether it will run only for peak periods or for the whole of the day and night. There is the question of what rate of interest will be charged for the capital and what period of amortisation of the capital there will be, and there are other questions equally important.

It seems that at present each nuclear group in the world is out-bidding the other in forecasts about when its stations will become competitive. We are in complete confusion as to what "competitive" means and when it will take place. I hope it will be possible, as suggested in our draft Recommendation, for all the institutions concerned to get together and have agreed criteria for what competitiveness means.

I ask Mr. Sassen if his forecasts, made yesterday, on competitiveness are based on some known criteria and what rates of interest and periods of amortisation there should be, because without this information his forecasts mean nothing to me.

For years the economic miracle of Europe has been ascribed to the institutions, the three Commissions, which govern it. That has been fine. It has worked extremely well so long as nationalism has been subordinated to the will of those three

Commissions. But nationalism, if it arises again, can leave those institutions, like dead volcanoes, powerless and without purpose, bureaucratic monstrosities dead in all their ways, like the seven cities of Delphi, forgotten and useless.

It is perhaps interesting that it is now the European Free Trade Association which is making more progress. It is having a great success despite the fact that EFTA has no institutions, no machinery, no network. I think nationalism is the enemy. It is the will to succeed, the political will to achieve unity, which matters, not the structure or institutions which any group has. I therefore commend the reports of Euratom and the ECSC with the strongest recommendation which the Economic Committee of the Consultative Assembly can give, that a common energy policy be achieved and the will to unite be demonstrated. (*Applause.*)

The Chairman (*I*). — I call Mr. Gredler.

Mr. Gredler (*Austria*) (*G*). — Occupying a prominent place at this Joint Meeting of the two European Parliaments—which is, incidentally, such a desirable institution that it is a pity the Session is so short and takes place only once a year—is the problem of Atlantic partnership. The previous speaker touched on the subject a few minutes ago. He had some interesting things to say about it and I should like, if I may, to add a few remarks. In addition to being undoubtedly a very important problem, Atlantic partnership is also, in view of the GATT negotiations to be held at Geneva in May 1964 and the World Trade Conference likewise arranged for next year, a very topical problem.

But you must forgive me if, into the high-tide of brilliant expositions—"masterly" is the word normally used here—which we listened to yesterday, I cast a few words of scepticism. It is scepticism which is felt, above all, by that overwhelming majority of Europeans who want what Professor Hallstein summed up yesterday in the words "unity and union". At a time when Europe is, in actual fact, neither unified nor united, I should

like to emphasise the need for what René Mayer, the prominent liberal European and French President of the European Movement recently appealed for and defined as a "*nouvelle renaissance*" in the field of European politics.

However necessary and important a discussion of the problems of Atlantic partnership may be and however justifiable Europe's desire—as was said yesterday—to share world responsibility with the United States, the fact must be recognised—and this was also rightly pointed out here—that this calls for equal partnership and a strong position from which to negotiate. But equal partnership also implies approximate equality in weight, and that can be achieved only through the formation of a genuine European community.

Our discussions at the present time should, in my view, be concerned less with creating the conditions for a trans-ocean community relationship than with creating a large, comprehensive, genuine European community, in short with all that is implied by a "*nouvelle renaissance*".

Being presumably one of the junior members of this House—although I have already behind me almost eleven years of parliamentary activity in my native Austria—I would not presume to dictate to you, my superiors in rank and wisdom. I am leader of a parliamentary group and foreign policy spokesman in by far the smallest of the three parliamentary parties in my country, itself one of the smaller European States. Although probably the most frequent speaker in our own Parliament for many years now, I have deliberately spoken only very seldom here, partly out of modesty, as I have already explained, and partly also, perhaps, on account of my role as liberal substitute for a man of different political opinions.

But this is likely to be my last opportunity of speaking as a member of the Consultative Assembly, since I shall probably soon be serving Europe and my country in another capacity; so I shall take the liberty of laying a few ideas before you today.

Is it not true that some of us, in Europe, are very often inclined to discuss and even take, let's say, the fifth step before the first or the second? It is right and expedient to study the problems of Atlantic partnership. But the settlement of internal European problems is a matter of greater urgency. It is right and expedient to admit Japan—which I know from first hand—into OECD; but before forming an Atlanto-Pacific combination, we should at last solve the problem of how to integrate our own continent more closely. That is, above all, the subject we ought to discuss, speedily, repeatedly and exhaustively.

If I may be permitted—perhaps rather superficially—to enumerate the successive stages in the process of integration, then I should say it begins with consultation, goes on to co-ordination, followed by co-operation though inter-European, and in the later phase, supra-European organs and culminates in real union and perhaps even, one day, a genuine European federation; for that, it seems to me, is the ultimate goal towards which we must strive.

But, is not the Head of the French State—who I am inclined to feel is too frequently criticised—right in maintaining that what is needed at the present stage is a "*Europe des Patries*", considering that we in Europe are obviously in many instances still a long way even from the first stage, that of consultation embracing the whole of Europe?

The European public likes concrete facts. Let us give it concrete facts by laying a truly European foundation—and quickly! I have a deep regard and, I might almost say, an intense admiration for the six-Power European Community, but it cannot, in the long run, provide the appropriate foundation.

I can afford to say this to you since, in our own Parliament, I have always spoken out strongly in favour of the closest possible relations between Austria and EEC and, I confess, have even expressed scepticism with regard to EFTA. This gives me additional justification for asking EEC parliamentarians to see to it that the door remains open or is opened still wider.

I mentioned public opinion. I have an intimate knowledge of the deeper implications of the disputes which, to the European masses, often seem downright ridiculous, disputes which demonstrably impede and threaten European unity and naturally also Atlantic partnership. The man in the street will never understand how, for instance, the problem of tinned kangaroo-meat can create difficulties which take months to solve. As for the trans-Atlantic "chicken war", at the risk of being accused of heresy, I would say that it will soon be the person who can eat the largest number of Arizona or Minnesota chickens in the shortest time who will be considered the staunchest supporter of European unity and Atlantic partnership.

We are often told here that we have plenty of time. That may be true as regards projects on a world-wide scale, but as far as laying a basis for the unification of Europe is concerned, we have not got plenty of time. The East-East conflict is affording us a breathing-space; let us take advantage of it to go ahead with our plans and negotiations. Next year's conferences, which have not only an important world economy aspect, but naturally also an important political aspect, make it imperative that the European States should present a united front. Let me explain what I mean—I have frequently spoken on this subject at meetings of the Liberal Group, but have not always been entirely understood: This common attitude should reflect the views of the European Governments—and not merely the view of the members of a particular group of European States—and lead eventually to the formation of a united front.

Mr. Chairman, Ladies and Gentlemen, President Hallstein spoke of European solidarity. We need that solidarity, so let us go ahead and establish it! (*Applause.*)

The Chairman (*I*). — I call Mr. Federspiel.

Mr. Federspiel (*Denmark*). — The purpose of this Joint Meeting of the two Assemblies is to confront the policy of the European Economic Community with the general political aims of the member countries of the Council of Europe. When we

meet on this occasion, the first time after the breakdown of the negotiations in Brussels, our main purpose should be to seek ways and means of furthering the integration of Europe, which has now suffered two severe setbacks, first in 1958 and now in 1963.

I think we should keep in mind that in politics there is no return to the basis of negotiation which has failed. Where do we stand now? We have before us the aims of the Rome Treaty, which are identical with the aims of the Statute of the Council of Europe, namely, to work for the political and economic unity of our continent. It was evident in 1955 to 1957, when the Rome Treaty was taking shape, that opinion in the six countries of the Community was considerably more advanced in the direction of achieving some form of federal unity than in the rest of the European countries.

In the years after 1958, and after the relative weakness of EFTA had been demonstrated, opinion in other countries than the Six developed in the direction of the political thinking underlying the Rome Treaty. That again has proved a path forward which could not be trodden for the time being. We from outside the Six have naturally looked for a lead from the Six, because this Community has been politically further developed and more capable of undertaking the task of setting the framework for an ultimately united Europe. In this expectation we have been disappointed.

It is true that the Community is advancing in certain economic policies, but political unity does not progress. I am wondering whether we should be really surprised at that. The Rome Treaty was contrived as an economic document with a definite political aim. The idea was that political unity of the Six should develop out of economic co-operation. Now, therefore, if suddenly we should try by artificial means to throw in a new form of political unity to what is developing, I think it is not surprising that we should fail.

I was very disappointed yersterday to hear my colleague, Mr. Struye, suggest that the Fouchet Plan should be taken up for

consideration again. I can only say that that would further some kind of autarky politically in the Six and would not in any way advance the aim of both sides of Europe to achieve integration, which is our common aim. It may well be that ultimately the harmonisation of economic policies will create a new political climate in which the Six will find that their political unity is suddenly there without any further decision but just by the mere fact of a developing community and that this will also lead them to think that this Community might well be expanded. But we must remember—and it is particularly for our colleagues from the Community to remember—that that does not mean we can necessarily take up negotiations where they were broken off. We have to seek ways and means of furthering integration whether on the basis of the Community or on the basis of some other new ground.

Here, for the time being, we have got no further than basing our hopes on the outcome of the GATT negotiations on the "Kennedy Round". Yesterday, Professor Hallstein expressed some optimism, but at the same time he made it quite clear that it was the view of the Commission—and I take it that it is a widespread view in the countries of the Community—that nothing can be undertaken which will in any way impede what he described as the progress and development of the Community along the lines laid down in the Rome Treaty.

It would seem that the Rome Treaty is fairly flexible and that neither the Commission nor the Governments of the Six should stick rigidly to the forms in which the Community at present is developing. It is obvious to all that the ditch in Europe is widening. Divergences are increasing, the channels of trade are narrowing, and also our political divergences are increasing. I see little hope of all these differences in Europe being solved in the GATT negotiations, but there is one hope, if there is good will on all sides, that a successful outcome of the GATT negotiations on the "Kennedy Round" may lead also to a reduction in the internal tariff barriers between our two divided parts of Europe.

Professor Hallstein rightly said yesterday that the agricultural problem would be in the foreground of the GATT negotiations.

I should like to conclude with a few words on this question of agricultural policies. We have before us the statement of Professor Hallstein yesterday and the admirable report of Mr. Biesheuvel, who is, of course, a particular expert on agricultural matters. I have known him for many years and I am sorry that his new duties prevent him from being here. I have the greatest admiration for his intellectual integrity. When he expresses himself obscurely it is simply because the matter which he describes is in itself obscure.

In his description of the agricultural policy of the Six he makes it unfortunately quite clear, as it has been obvious to many of us, that there is a tendency within the European Economic Community to aim at self-sufficiency. It comes out in paragraph 108 of his report, where he describes the present state of negotiations on the regulation for beef, and where he says that this regulation

> "guaranteed protection against third countries by means of a customs duty, a sluice-gate price, and the institution of an import certificate. Imports under these conditions would in certain cases be subject to a levy. Protection towards member States was ensured by means of a customs duty."

There we have the clear principle of agricultural protection set out.

On the matter of price policy, which is obviously a thing that the Six will have to tackle, Mr. Biesheuvel says, in paragraph 113:

> "World market prices should be regarded as a reliable basis for comparison only in so far as the foodstuffs concerned came from producers working under the same conditions and capable of offering products in sufficient quantity and of the same quality. Under no circumstances must the common internal price level be affected by distortions and abnormal fluctuations of the world market."

How on earth are you going to get anything resembling free trade in agricultural products if these principles are going to prevail?

Again, in Professor Hallstein's address yesterday, where it is clearly set out that agricultural trade must be in the foreground of the GATT negotiation, we find this statement which shows all the bewilderment that prevails within the Community on the question of agricultural production and agricultural prices. I quote this in German. He says that the partners in the GATT negotiations

> "... *müssen versuchen, zunächst die Binnenund dann die Weltagrarmärkte zu reorganisieren, ohne das Wohl der landwirtschaftlichen Bevölkerung einem liberaleren Agrarhandel zu opfern.*"[1]

Therefore, we have the conflicting interests of a widening trading community, of a liberal world, and at the same time a restricted autarkic system and, at the background of it all, the social problem and the electoral problem of the farming population. That is the stumbling-block to further progress towards a more liberal trading community in Europe. It is difficult to see why this agricultural sector should be treated as a kind of sacred cow.

I remember some years ago in the Consultative Assembly I debated this matter with Mr. Charpentier, who, I am glad to see, is a member of this Joint Meeting. Then I described the world market price as the *prix de braderie* and said that the egg which was sent from Holland to France and fed on grain sold on this *prix de braderie* was, equally, a falsely priced commodity, and that there was no possible way of convincing the French agricultural community that world market prices might be a guiding factor for whether some part of their production was economic or whether it was not.

[1] ". . . .must try to re-organise first their own and then the world's agricultural markets—without sacrificing the well-being of the farming population—to more liberal trade in farm products."

Admittedly, there is in the agricultural sector, because of the neglect from which the industry has suffered in most of our countries, a social problem, a problem of a serious nature. But surely that social problem is no different from the social problem of the mining industry or, for that matter, the social problem arising in any industry which becomes redundant as a result of new inventions. Therefore, it seems to us from the outside that the Community is taking a step backward and making further progress towards integration in Europe more difficult by concentrating its attention entirely on the production side of agriculture and not on the trading aspect of agriculture—which after all, represents a very considerable part of our consumption. That, obviously, will be a point which must be taken up during the GATT negotiations.

I wanted to say these words although there are evidently many other points on which progress is being made within both the Community of the Six and the Community of EFTA which tend to widen the gulf rather than to bring our economies nearer to one another. Without this approach of the economies, I see little hope of the political unification which is so obviously in the interests of all, both within the Six and outside the Six. That is a matter for the Six to consider, first of all. Are they going politically to develop away from a foundation, on which, so to speak, our lines of approach will follow the same pattern? Or are they going to develop their Community as an open Community furthering trade rather than, as is happening at the moment, narrowing trade and endangering the channels of trade with the outside world by possibly cutting off a very large part of that most important sector of trade, the trade in agricultural products? (*Applause.*)

The Chairman (*I*). — I call M. Matteotti.

Mr. Matteotti (*Italy*) (*I*). — Mr. President, Ladies and Gentlemen, the present Joint Meeting is chiefly concerned, and rightly, about the crisis that has arisen in relations between the European States themselves, and between those States and the United States of America. That crisis seems to me only the

logical consequence, as has been pointed out, of a shift of balance within the Atlantic Alliance.

The last ten years have seen the rapid development of the Western European economy coupled with the beginnings of a recession and some financial difficulties in the United States. This has meant a displacement of forces within the Alliance and it may be, as has been suggested, that we are now at the end of a period, historically speaking, and approaching a time when the world will no longer be dominated by the two largest so-called Great Powers. It was, in fact, to meet this shift in the balance of forces, and in consequence of it, that the idea of partnership first arose. It is one that commands almost unanimous support inside the Alliance, on the part not merely of us parliamentarians but of many Heads of State, as evidenced by their own explicit statements.

We should not, I think, however, make the mistake of merely considering the idea of partnership in the abstract, instead of getting down to the concrete problems involved, where action and not just talk will be required. We must have the courage to do this.

There seems to me no doubt that problem number one, the basic problem that is behind the present crisis, arises from the serious disequilibrium that has arisen inside the Alliance between economic strength and military potential. In other words, the United States of America and the European States are now, economically speaking, on an equality. Steel production, for instance, is of a comparable order of magnitude in both continents, and the same is true of motor vehicles and other similar products. In a situation like this, with partnership becoming a practical possibility, the countries which in fact possess the monopoly of nuclear weapons, thanks to their technical development, will undoubtedly also have the control of those weapons. That is no credit to our civilisation. It is sad to have to say so, but there can be no doubt that, if there were to be a war, that control would be the determining factor, especially now that nuclear weapons have also invaded the tactical field. It would also

be the determining factor in individual battles. It is the determining factor in world politics and in the relative influence exercised by each country. That too is no credit to our civilisation.

Here, then, we have a *de facto* discrimination which has been growing up over the past ten years. That, to my mind, is what lies at the back of all our disputes, and the problem that requires to be faced with sincerity and courage, the questions of tariff reduction or this or that position adopted by our Assemblies being merely offshoots of the main and ever-present theme.

Mr. Chairman, Ladies and Gentlemen, I do not think I am far wrong when I say that there are some positions which history shows to be untenable. There is no weapon, much less a nuclear weapon, that can remain the monopoly of a single group of men, of companies or of nations. I repeat, no weapon.

We must remember that nuclear energy has important non-military uses which no country wishes to forego, which makes it only fair that each of them should do its best to acquire the necessary tools. But the present position is absurd. The Alliance has a single, perfectly integrated operational command for its conventional forces; it has three separate nuclear commands. The thing makes no sense.

Now the cry is that no one else must be allowed to have these weapons. It is hardly surprising that we should have reached a crisis in the relations between States belonging to an alliance whose arrangements, at least in this respect, seem to be entirely without rhyme or reason. The action taken by France strikes me as less a distinctively French action than the first symptom of the new state of affairs. What we are watching is a country continuing to equip itself with nuclear weapons in an obviously disorganised way and making use, naturally, of economic short-cuts.

Another consideration to be borne in mind is that the price of nuclear weapons, like the price of every other weapon, will

ultimately come down and they will thus become easier to obtain, besides the fact that newcomers will be able to benefit from the experience of their predecessors. The best example of this is provided by the vast sums the United Kingdom and America had to spend on bombers and launching sites while countries today can begin right away with nuclear submarines and have no need to incur such expenditure at all. Hence it is much easier to procure the new weapons now than it was. Other countries will also be making their arrangements and, as their numbers grow, the obvious result will be a growing risk of war.

Mr. Chairman, Ladies and Gentlemen, I believe this to be the crux of the present crisis and it is up to us to find a practical means of dealing with it as soon as possible. There is little point in continuing with endless arguments that lead nowhere; we should do better to look facts in the face and try to reach a radical solution, even if it takes time.

Unless someone else has a brilliant inspiration, I see no other way out of the difficulty today—still less tomorrow when the danger will be greater, at least inside the Alliance—except by putting this frightening source of power in peace as well as in war under collective, international control within the Atlantic Alliance. I realise, of course, this will raise technical as well as political difficulties. Naturally, countries that have spent hundreds and thousands of millions on acquiring nuclear weapons will hesitate before putting them under collective control. I know all that, but there are obvious precedents for saying that such difficulties can be overcome when there is a clear political will to do so. The very existence of an Atlantic nuclear command shows that it is possible.

Surely we realise how foolish it makes us look when we clamour for general controlled disarmament as a solution for the world's problems on the one hand while, on the other, we make it plain to all that we are incapable of operating a similar control over the collective use of the same weapons among our own friends and allies.

Besides, if no collective international control is established now, one will have at all costs to be established when more countries have acquired their own nuclear forces and the whole situation has become infinitely more dangerous in fact, not just in theory. Control will then have to be imposed, if our peoples are to be saved from disaster. And what will the result be? We shall have lost an enormous amount of time and we shall have wasted a vast amount of capital; the danger will be far more serious, and the crisis regarding our internal relations and the balance of power in the Alliance will merely have been prolonged.

There is nothing to be gained by our two Assemblies shutting their eyes to this problem or circling round it, as it seems to me some of us are doing in a series of arguments which, however useful in themselves, yet ignore the main point. We are not a collection of Governments, conscious of the need to implement their diplomatic undertakings without delay; we are a Consultative Assembly with every opportunity of expressing long-term views. At this moment of international crisis, our task seems to me to be to face up to the problem before us and demonstrate the courage of our convictions by suggesting solutions. And in doing so, let us not be afraid—as we certainly ought not to be afraid—to assume our own small share of responsibility. (*Applause.*)

The Chairman (*I*). — I call Mr. Moyersoen.

Mr. Moyersoen (*Belgium*) (*F*). — Mr. President I have one comment I should like to make at the end of this debate.

Surely we should try to get out of the realm of abstract ideas and look at this idea of partnership from a more practical and concrete angle. We have based all our definitions of partnership on statements coming from the American authorities. It is always a good thing to confront people who have made statements with the statements themselves. I think all the same it might be a good plan to begin by asking ourselves what the Americans may think of this growing European power which is already a

reality to be reckoned with in the economic field and may one day be so in the political field as well.

The Americans have certainly made considerable efforts to help Europe and have honestly encouraged European union. Their policy here, Ladies and Gentlemen, has been a truly great one and we can never praise it sufficiently. But may they not be getting a little uneasy now that they see how our power is growing? I think we are very well aware that they are, as witness the energy—the almost suspicious energy—we put into denying that this power is directed against anyone, or that it constitutes a third force.

Do such statements really convince Americans who must know quite well that, when a power of this kind is built up for the purposes it has announced, it may easily, sooner or later, come into conflict with other powers. Human nature being what it is, we are usually for something against someone, and the original impulse towards unity often comes from the pressure of external forces. After all, it is no secret that the Atlantic Alliance exists as an answer to the threat from Russia.

It takes a long time for the external factors that have brought people together to be replaced by more positive elements, so it is only natural that Americans should be wondering how this new and formidable European power is going to develop.

As for their reaction, it seems to me to be very intelligent. What they are saying is: Let us combine with this new power before it is too late, so that we can keep an eye on how it expands and make sure that this European force of will, which we are always being told is not directed against anyone, is directed from the beginning towards specific practical undertakings.

Surely that is what motivated the partnership offer, although the theory of partnership is expressed in such high-sounding, wise and benevolent terms.

It is right, as I have said, to remember the theory; but when we leave the heights indicated by the official statements and come

down to actual concrete proposals, we must admit to a certain sense of anxiety and disillusionment.

Besides the official statements there are, so far as I know, just two concrete proposals which have been made. The first was put forward at the Bahama Conference and repeated in more detail at the Ottawa Conference; the second is the Trade Expansion Act.

With regard to what was said at Ottawa, those who were present told us, in answer to our inquiries in Paris, that it had been agreed that certain nuclear forces—the submarines armed with Polaris missiles and a number of British bombers—should be integrated into NATO. But what does integrated mean exactly? No decision was reached as to who would be able to use these forces; in fact, the question does not even seem to have been raised. All we have so far is a proposal to combine our efforts. We have not yet reached the stage of an offer to share responsibilities. Obviously, and it is important that we realise this, no problem arises until we reach the second stage and that is still a long way off.

I shall not stress the point further as it is outside our terms of reference. But one of the first things to do, for example, would be to allow Western European Union, as such, to become a part of NATO. Extraordinary as it may seem, this is still not the case.

Then we come to the Trade Expansion Act. Mr. Struye has reminded us how, owing to the situation that already existed at the time largely as the result of the great discrepancy between the various tariff systems, the strict application of that Act led to results we could not accept and which we found, in any case, somewhat perplexing. A 50 % reduction, if applied, would eliminate all protection in Europe while leaving the American duties high enough to be still protective and, in some cases, even prohibitive.

Mr. Heckscher told us yesterday, in reply, I imagine, to Mr. Struye, that we must not expect the Americans to amend their legislation, a step that their institutions make inconceivable.

What I cannot understand is what made the American Senate adopt this particular formula. It must surely have known that the results would be such as we are now complaining of. We can hardly suppose the American Senate to have been without the relevant information; but if the Senate knew that this over-simplified method would have results that were bound to give offence to the Europeans, how could it hope that these would escape our notice, or what made it think it could compel us to disregard them? No satisfactory answer has ever been given to these self-evident questions.

So much, Ladies and Gentlemen, for the two concrete proposals on partnership. You must admit that they fall short of the picture conjured up by the theory of partnership. I think we ought to say straight out that our American friends have made an error of judgment and that they will need to try and correct this first bad impression when they come down to practical level, in the negotiations. If the "chicken war" is to be taken as an example, I must say I feel far from reassured. I have been told that some leading American authorities regard this "quarrel" as a test of our good or bad faith. If so, I can only say I stand amazed.

Some of you, Ladies and Gentlemen, may think I am being too outspoken at the end of this debate. In that case, I apologise. But I would appeal to those here who are better informed than I am to say whether I and my friends are wrongly informed, whether we have exaggerated the consequences we complain of, whether those consequences can be confined to one small sector. It is most important that we should be reassured on these points. But, so far, the statements made by Mr. Struye and others seem to have provoked no reaction at all. So I think we should say quite clearly that we disagree with these methods and that it would be best if they could be altered.

However, I am not unduly disturbed by these misunderstandings, Ladies and Gentlemen. National interests naturally conflict and selfishness cannot be abolished by the wave of a wand. Let us say that we ought to have the determination to prepare for

the future, following the example of the Americans who certainly "saw big" in their aid to Europe and were ready to make the necessary sacrifices. Do not let us take as our starting point a series of imaginary and non-existent positions. Wishful thinking never did anyone any good. Still, I would add—as my own temperament certainly inclines me to do—that pessimism is worse still. We need to be realists and make other realists understand that they are not the only ones. That is the right policy. We have a long way still to go and we must find the determination to persevere. That is the best way of keeping close to reality while at the same time pursuing our ideals. (*Applause.*)

The Chairman (*I*). — I call Mr. Rey.

Mr. Rey (*member of the Commission of the European Economic Community*) (*F*). — Mr. Chairman, Ladies and Gentlemen, in accordance with what has been the custom for several years in our Commission, it falls to me, after our President, Mr. Hallstein, put forward at the opening of the debate the ideas he wished to express on behalf of our Commission, to reply to the remarks made by the different speakers which especially concern the European Economic Community.

You will, of course, understand that in my reply I shall not touch upon certain problems which do not lie within the competence of my Community, in particular—since it was mentioned by the last, as well as by several other speakers—the military problem, about which I have no intention of saying anything whatsoever here.

I think I shall be able to reply fairly briefly to the preceding speakers, for on the whole their remarks seemed to me to reflect unanimity of view with regard to the programme we must define, namely that of the partnership of Europe with the United States. I do not believe I need reply to each one individually; I prefer to give you a few general observations which I think are called for at the conclusion of the debate.

First of all, with regard to the Atlantic partnership, I am glad to have the definitions that our President, Mr. Hallstein, gave

us yesterday. In a more precise manner than in his previous statements, Mr. Hallstein tried—and, I believe, successfully—to explain what was meant by the Atlantic partnership, what it should be, what its nature was, what its possibilities were and what it could not aspire to be.

With regard to the need for this partnership, everyone here has expressed agreement. There has been no trace in the debate of the somewhat unintelligent and slightly ungrateful anti-American sentiment that is sometimes manifest in certain circles on our Continent. On the contrary, we have spoken of the Americans as we should have done, that is to say, discussing with them on an equal footing and with the knowledge that together we have to build the free world in a spirit of trust and of friendship.

In its first memorandum of 1959, just after the breakdown of negotiations on the free trade area, our Commission, in terms that were brief but plain enough, expressed the view that there were in the free world three major units which, by reason of their size, had special responsibilities in leading and building the free world, namely the United States, Great Britain and the European Economic Community.

Without excluding anyone or overlooking the responsibilities incumbent upon all the others, we thought at that time that we three together had greater responsibilities.

I believe that the Atlantic partnership gives more precise expression to the same idea.

In the first part of my remarks, I should therefore like to formulate a few practical conclusions which we must here and now draw from this idea, accepted by us all.

The first of these conclusions is that we must see to it that the Kennedy negotiations are brought to a successful conclusion.

As you know, our Commission, in so far as the European Economic Community is concerned, is in the heart of these

negotiations and in the best position to appraise the difficulties. That is why it is perhaps important that I should express here a firmly optimistic view with regard to the work we are pursuing with our American friends and with the other Members of GATT who have joined us in the preparatory negotiations of the Trade Negotiation Committee.

No doubt we have still six months of hard work before us, before the opening of the negotiations proper on 4th May 1964.

However, I am very favourably impressed by the work accomplished up to now. We shall, no doubt, still come up against many difficulties. One difficulty comes from the United States and another from the Community itself; and these are, I believe, the two main difficulties.

On the part of the United States the difficulty derives from the disparity in its tariffs. Cutting tariffs purely and simply "across the board" would have unfair results and would cause inequality. On our side there is the difficulty of our agricultural regulations, which, in addition to being complicated, place upon us the responsibility of finding a sound system of negotiation with third countries with regard to agricultural products which are no longer protected by customs tariffs but, on the contrary, by variable levies.

It is not a simple matter, and we have not yet come to the end of our troubles in these fields; far from it! However, I have no ground for thinking we shall not succeed in reconciling our points of view. The progress we have made in the six months of our bilateral talks with the American delegation headed by Governor Christian Herter, former Secretary of State, progress which has been continuous since January 1963, makes me optimistic regarding the work we shall be able to accomplish during the six months before the negotiations begin.

In the second place, I believe we should settle local disputes. Last year we had a disagreeable local dispute over carpets and window glass. This year, we have another local dispute, which

has made rather more of a commotion, and that is the "chicken war".

On the eve of the negotiations which are about to open I shall not enter into details. I shall simply say that both sides have a share of responsibility in the dispute and in its solution. It is obvious that the Americans have their share of responsibility. They have flooded our Community with chickens to such an extent that they could hardly be surprised at the reactions that were aroused. Figures provide an illustration: in 1958, when the Common Market was in its infancy, the United States sold us two and a half million dollars' worth of chickens. Four years later, in 1962, they were exporting sixty million dollars' worth, or 24 times as many! No one could suppose that the European producers—in our Community or in other European countries represented here today—would remain impassive before such a winged onslaught. The inevitable reaction has now occurred.

May I say now, because it is important, and I am sure I speak not only on behalf of the EEC Commission but also for the member States, that should our negotiations not reach a successful outcome in the weeks to come our Committee would not be able to take lying down the tariff reprisals threatened by the United States to the tune of 45 million dollars; counter-measures by the Community would be inevitable.

It is clear to see the turn that might be taken by the "chicken war" if we did not succeed in solving the problem. It is a matter which must be taken seriously on account of the possible consequences.

But on our side we also have responsibilities. The chicken producers of the Community cannot be unaware that we are under a contractual obligation towards the United States, under the agreement adopted at the close of the tariff negotiations—Article XXIV, paragraph 6—to find a compensation for the fact that we have deprived the Danish market and indirectly the German market of protection in favour of Denmark but which benefited the Americans indirectly. We have removed this protection

which was agreed under GATT. Consequently we have a contractual responsibility and we must live up to it. It is useless to employ threats and counter-threats; we must have good will and seek conciliation formulas. Our Commission has made several proposals since May and has had a great deal of difficulty in convincing the member States of the Community that these proposals are reasonable. However, this now seems to be more or less accepted. I hope that after the meeting of the Council of Ministers next week in Brussels it will be possible for us rapidly to conclude negotiations with the Americans and to find a basis of the agreement that all parties desire.

In closing the first part of my remarks on the Atlantic partnership I should like to express my own personal view, that our recent experience in the "Kennedy Round" has shown the value of permanent contact with the Americans. Mr. Hallstein said the same thing yesterday; I think he was right and I entirely share his point of view. There is no question of creating a Community between Europe and the United States with joint institutions. There is no possibility of that at the present time, though it may be possible one day. In the mean time, since personal contacts have enabled us to settle so many problems we should ask whether, after the "Kennedy Round", it would not be useful to attempt to set up machinery for permanent contacts which might perhaps prevent disputes from arising or, in any case, from developing. If satisfactory contacts of this sort had existed last year there might never have been a dispute with regard to carpets and window glass, and this year there would have been no "chicken war".

So much, then, for my remarks on the first part of this debate.

The second part was concerned with European unity. Once more, as might have been expected, all the speakers were concerned with the present state of European unity, its achievements and its failures.

Among the achievements we can mention the internal development of the European Economic Community which, in spite

of difficulties, is going forward. Naturally I shall not speak of our sister Communities, for that is not my province—their spokesmen reported to you yesterday, or will do so presently, on the progress achieved.

The report by Mr. Biesheuvel, representative of our Parliament and now a member of the Netherlands Government, seems to me to be a model of its kind, both in the precision and clarity of its content and in the political honesty with which it is impregnated from beginning to end. In my opinion it shows perfectly that the Community has made consistent progress in building its own house, in spite of the difficulties encountered, for example in the agricultural sphere.

On the other hand, it can certainly not be claimed that we have had any success as regards the extension of the European Economic Community. Everyone deplored, and continues to deplore, the unjustified breakdown of negotiations for the accession of the United Kingdom, and at the present time we have still not yet fully appreciated or felt the full impact of the consequences.

The Commission's views on the matter have been amply set forth here. May I simply take the opportunity of this Joint Meeting to say how much we wish to resume the discussions wherever they may be possible.

Negotiations will be resumed with three countries. First of all, with the United Kingdom, within the framework of Western European Union. A meeting of that body will be held on 25th October and the preparatory work gives the impression that there is a real intention to achieve tangible results and that this is not merely a meeting of courtesy or friendship. It is already clear that we have much to say to each other and much to accomplish together in certain fields where our policy cannot diverge. I am thinking first of all of the agricultural problem, and also of the tariff policy and the Kennedy negotiations, as well as of other subjects where we have the same interests.

That is why I personally expect great things from the renewal of talks with our British friends. Our Commission is actively preparing to play an effective part in the discussions of 25th October and those which will follow.

The second country I have in mind is Austria which, as you know, has expressed the desire to resume the negotiations for association which were interrupted last January.

The Six have reached agreement on this matter. The discussions which began in July are far from ended. They cover a very vast field and I have the impression that they will not reach a conclusion before the end of this year. But it seems to me that at the present time both sides should have a clear vision of all the points on which we are agreed and all those which still raise difficulties.

As might be expected, the economic problem raises only minor difficulties. The political problem is more complicated, however, on account of the international status of Austria. Yet I do not feel that the difficulties are insurmountable or that a *non possumus* on the part either of Vienna or of the Community authorities will interrupt the fruitful course of these negotiations.

Denmark is the third State with which we are going to hold discussions.

The Danish Government has expressed the desire for a meeting with our Commission and we are to receive its representative, Mr. Haekkerup, and his colleagues on 8th October in Brussels. The resumption of these negotiations might also be fruitful even if it does not reach fundamental solutions.

There is another field in which we might be able to do something and that is our discussions with EFTA.

Here everyone is being somewhat cautious, as you will have noticed during the last meeting of EFTA Ministers, in Stockholm. But—let's face it!—there is also some caution in Community circles.

Nevertheless I admire the moderation displayed by the Members of EFTA, both individually and in their Council of Ministers, at the meetings which followed the breakdown of the negotiations on 14th January.

The breakdown was the fault of the Community. There has been sufficient argument on this subject among its adherents and I have no wish to re-open the dispute. But we might have expected more reproaches and more bitterness on the part of our European partners. With much wisdom, they have restrained themselves.

Whereas four years ago it was our excellent health that was causing them some anxiety, they are now worried about our feverish state. They hope we will recover and resume talks with them as quickly as possible. I believe that this good will on the part of the Association and its leaders should be met with similar good will by our Communities and that we should seize every opportunity that arises of making common cause with them wherever we possibly can.

Lastly, there has inevitably and quite naturally been talk here of the political Europe and everyone is concerned to know what stage has been reached in the work of building it. I think that the *Rapporteur*, Mr. Biesheuvel, was right in stressing the close links between economic and political unification, and in adding that economic unification, however far advanced, cannot, by itself, automatically solve the political difficulties and that this is a matter for much heart-searching at the present time.

One of the speakers, Mr. Struye, Chairman of the Political Committee of the Council of Europe, suggested taking up where the Fouchet Committee left off. This seems a very good idea to me, and I would hasten to say that I do not share the concern expressed a moment ago by Mr. Federspiel.

I realise very well that a political discussion concerning Europe cannot everlastingly be confined to the Six. But perhaps it is wiser that it should begin amongst the Six, for experience

has just shown that, when the Six disagree among themselves, the work of unification, be it economic or political, comes to a standstill. That being so, I do not think that those States represented at this Joint Meeting, which are not members of the six-Power Community, have any reason to be worried if the Six succeed in resolving—as they have not yet managed to do—the contradictions and differences existing among them with regard to the political unification of Europe.

Is it possible, at the present time, usefully to resume these discussions in spite of the distances separating the different positions? Why not? What, in short, was unacceptable and who was responsible for temporarily suspending the negotiations?

The Fouchet Committee is now called, I think, the Catani Committee after the Ambassador, the Italian General Secretary for Foreign Affairs, who, if I am not mistaken, was its last Chairman. What is there to prevent the Catani Committee from resuming its work? Previously, there was something which was really unacceptable, namely the setting up of machinery which was not based on the Community spirit and, at the same time, the paralysing of Community unification and impeding of its development as if the intention was, one fine day, to replace one form of structure by another.

If, on the contrary, the work of unification were permitted to go ahead; if we accepted the merging of the Executives, then that of the Communities; if we accepted the strengthening of their powers and the extension of their competence to spheres at present too closed, such as the monetary sphere; if we accepted the election of the European Parliament by the universal suffrage of all men and women in the Community countries; if we accepted an increase in Parliament's authority and powers, then clearly the work of building a Community would not be imperilled. Then, perhaps, under a compromise amenable to ideas other than those of the Community-minded Europeans, it might be possible to deal simultaneously, within another framework, with military and foreign policy problems in the firm conviction that, one day, these two separate drives will link up.

Perhaps you recall the story of the French philosopher who wanted to reconcile faith and reason—in our case, it is European faith and national egoism which we must reconcile. The philosopher said that this might come about one day in much the same way as for the builders of cathedrals. The latter constructed pillars, realising that they would never see the dome, since it sometimes took centuries to complete a cathedral, but convinced that the pillars would one day be linked by a dome.

If we were certain that the work of the Community will be carried on, perhaps we should have the wisdom to agree that other organisations should be built up beside it, in the conviction that it will put the final touches to the United States of Europe.

Perhaps this answers the question posed by Mr. Struye?

But in any case, there is one assertion that is inacceptable, and I will close with this point; I mean the assertion that the Europe of nationalities in juxtaposition is the real Europe. It is from this house that a cry of protest must go forth against such a notion. The Europe of nationalities is not the real Europe and we must say so here, paraphrasing a famous exclamation "Nationalism, that is the enemy!". The Europe of nationalities is the Europe in which we have lived for four centuries. It is responsible for the Thirty Years' War, the wars of Louis XIV, the wars of Napoleon, the Crimean War, the Austro-Prussian War, the Franco-German War and, to crown all, the two World Wars which almost brought the world to ruin and slavery.

None of that is the real Europe and this is the right place to say that the only really valid Europe is the Europe comprising all the free nations and not only the Six who have founded the Communities. It is a Europe where the nations obey common rules to which they have freely consented, where they bow to European institutions and authorities they have freely accepted. That is the Europe of integration, of respect for the rule of law, of democracy, of liberty.

And, why not say here and now that that is Robert Schuman's Europe.

I therefore make no apology for closing my remarks by talking of this great man. I will draw my comparison where it particularly pleases me to draw it, from the United States, our American partner. Robert Schuman himself will gradually acquire the same aura in our eyes as the founding fathers of the great American democracy: George Washington, Jefferson and Abraham Lincoln, who are the object of respect, gratitude and devotion in the American civic conscience. For us, Robert Schuman is of the same lineage. We and our leaders will gradually come to regard him as the Father of Europe, for it was he who first politically accepted the responsibility for imagining the Europe we are building, the Europe which, if we have political energy and audacity enough, we will yet see brought to fruition. (*Applause.*)

The Chairman (*I*). — I call Mr. Coppé.

Mr. Coppé (*Vice-President of the High Authority*) (*F*). — Mr. Chairman, I shall bring the debate back to a more mundane level with a few words in answer to Mr. Ridley, who dealt with questions relating to the European Coal and Steel Community and Euratom. I should explain that Mr. Sassen, who is unable to attend, asked me to reply for him.

So far as Euratom is concerned, Mr. Sassen asked me to say that the bases on which Euratom forecasts regarding the profitability of nuclear power stations were made have been the subject of study. All the desired information on period of utilisation, cost of immobilisation and rates of interest has been published in the Report of the Energy Inter-Executive, the Euratom General Report and an article in Euratom Bulletin No. 4 of 1962.

Mr. Ridley will therefore be able to find all the information he wants in these various documents, and I shall ask Euratom to send him the copies he requires.

Regarding economic and technical research, I should like to say that from our side we shall do all we can to ensure that in the Council of Association no limits, objections or obstacles are put in the way of the joint study of all problems connected with research into new uses for coal and economic research into the future of steel. I am glad that these studies are going to be carried on by Great Britain and ourselves, and that they will also be taken up by OECD in Paris.

As regards the European energy policy I am grateful to Mr. Ridley for indicating his understanding of the difficulties that we are meeting.

I, myself, have never had many illusions. Indeed, the European Community will have more difficulty in establishing a common energy policy than it did in arriving at a common agricultural policy. The reason is that in agriculture we all have the same problem, whereas in the energy sector we are faced with different situations, hence our difficulties and interest vary. We shall therefore require a comparatively lengthy period in which to reach an agreement.

I would emphasise at once that our present worries are not chiefly due to the different positions of different Governments, but to the fact that at present no Government is really interested.

The various Governments are concerned rather with their own freedom of action than with cohesion. Opposition comes from the Community, which appeals to rules that are laid down in the Treaties and must therefore be observed. It must not be forgotten, in fact, that we have no common trade policy in the ECSC Treaty. That Treaty forbids subsidies, but all coal producers require them. Moreover, the Treaty does not guarantee sufficient certainty of supply.

As to the common energy policy, I should tell Mr. Ridley that we prefer to use the expression "common energy market". The policy should be decided from a point of view that can be defined simply on the basis of the Memorandum from the Three Communities.

The Protocol that we submitted to ECSC member countries alters the ECSC Treaty. It can easily be observed that we drafted it with an open market in view. We have encountered so much difficulty with this formula for an open energy market, that we might as least obtain the same advantages as those countries which do not belong to our Community.

In conclusion, I shall digress a little from the discussion.

At one point Mr. Ridley remarked that EFTA without any institutions is making more rapid progress than the European Community with its institutions.

I do not dispute that sometimes a community without institutions may go ahead more quickly than a community that possesses them. This may well depend on the problems that have to be solved and on the general economic trend. I should like to recall, however, that for eleven years I have belonged to the ECSC, the first European economic community. I can tell Mr. Ridley of my very clear recollection that we should not even have opened the common market for steel if we had not at a particular point voted in the High Authority in favour of doing so—on a certain night in May 1953—and that the vote was not unanimous.

A Europe without institutions is necessarily bound by the rule of unanimity, and is therefore always liable to the veto. Personally, I do not believe that any community whatever, even a marriage, can always be subjected to the rule of unanimity.

Thank you, Mr. Chairman. (*Applause.*)

The Chairman (*I*). — I call Mr. Furler.

Mr. Furler (*Rapporteur of the European Parliament*) (*G*). — Mr. Chairman, I was privileged to open this debate with my statement. It is a long-standing tradition that the *Rapporteur* of the European Parliament also winds up the debate.

I need not enter into any great detail. As Mr. Rey said, the discussion proceeded satisfactorily on the whole, the speakers were realistic, they perceived the difficulties, but there was manifestly no rabid antagonism. I should like, however, to make some brief comments in order to clarify certain points.

Our friend, Mr. Dillon, thought we should now establish a community of equals, and declared in the same breath that the European Economic Community was a community of unequals.

That is a difficult problem, Ladies and Gentlemen. But it is one that the Communities have tried to solve by fair and progressive means. Any Community must naturally comprise large, small and medium-sized States. In drafting and applying the Treaties, we have always complied with the spirit of the Community by showing great respect for the small and medium-sized States. In the whole system I do not think that Holland, Belgium, or Luxembourg—though each of them carries much less weight, of course, than France or Italy—has ever felt that it did not, speaking proportionately, enjoy equal rights. In this sense the Community showed itself to be very progressive, and it seems unlikely that much more can be achieved in this respect. What justification there is for the criticism, namely that perhaps there is still a certain preponderance, is something that we try to get over by general agreement in the work of the various institutions and their organs. Complete equality can never be attained, of course.

I should like to refer to two points raised by Mr. Duft, of the Swiss National Council. He said that his country was strongly in favour of these customs negotiations, and had always tried to secure a reduction of tariffs, but had achieved little or nothing.

That is just the point. So long as the national States in Europe remain divided, they will not achieve much. But the European Economic Community as a whole has really achieved a great deal already. I am not thinking only of the "Dillon Round", which has already been very effective, but of the fact

that, by throwing its weight into the balance, EEC has brought the United States to depart from its policy of high protective duties and offer us partnership even in the matter of tariffs. That is an instance of progress that could not have been achieved without our union. So I find it rather regrettable that Mr. Duft should have come to the conclusion, speaking for Switzerland, that after all the experience—some of it bitter—of the past year, it would be advisable to return to an out-and-out policy of neutrality—as to which I will say nothing—and independence.

No one in Europe, the Europe of the Six included, wishes all nations to be reduced to a dead level. We want the different nations to preserve their independence within the framework of the Community. But where people are bent exclusively on independence, there can be no community; no integration can be achieved. I just wanted to point this out.

Mr. Toncic followed up the report submitted by the European Parliament on the subject of association by what I might call a very pointed question, and made certain reproaches. He said we had taken an impossible attitude towards the question of association, and declared that, though the EEC Treaty states that other countries can associate, the Community opposes this by an absolutely inflexible policy—arguing that nothing can be done on the basis of the Free Trade Area, as experience has shown, or on the basis of the Customs Union either. Yet these are the only possibilities presented. So what are we to do? He also accused us of saying in the case of the West Indies, "Yes, there, a free trade area will be all right".

A year ago, in September 1962, at a sitting of the Consultative Assembly of the Council of Europe in this very hall, I already gave Mr. Toncic a detailed analysis of the situation. Yet now he returns to it again. The underlying reasons for a man's behaviour are to be sought, of course, in his particular inclinations and aims.

The African Association has nothing to do with any association of European States. It has the same name, but not the same

nature. Every association is an individual case, and the African Association, into which it is proposed that the West Indies should be drawn, is no exception to this rule. It is something quite different from the type of association that has been established with Greece, or from the type of association it was proposed to form with neutral States or others which were not able to join in with us.

We have repeatedly declared—you need only read the speeches in the report on the negotiations—despite a number of altercations, that it was not our intention to lay down a doctrine, to the effect that nothing could be considered except a Free Trade Area, or except a Customs Union, but that we were in favour of empirical solutions. We told the Neutrals explicitly that what we wanted was an association which would allow for their special status as Neutrals. This although there were influential people among us who considered that neutrality need be no barrier even to full membership of the European Economic Community. It is quite false to assert that we have delayed or rejected association.

As you know, the matter did not follow a simple course. At the present moment only the question of Austria is acute. But it is simply not correct to say that we, in the Communities, laid down the concept of association in terms that made it impossible for neutral States to associate themselves with us. On the contrary, we were glad that the concept of association had not been specifically defined in the Treaty, since this left us leeway for negotiation, for arriving at very practical and positive solutions.

There is something else I would say about the anxious remarks made by our Austrian friend, who said in a kind of epilogue, "We know your attitude towards all this is highly sceptical". His chief advice was that we should not try to run before we could walk. He considers that the European Economic Community cannot form the basis of a really united European policy, directed towards unification.

Well, Ladies and Gentlemen, what ought we to do? Everyone is trying to achieve unity. Our way of trying to do so has

been through the European Economic Community, with its policy of economic and social integration. We were just about to expand the Community. The attempt failed, for reasons which, though we regret them, had nothing to do with the Community itself. I need not go further into that.

The fact remains that this Community in Europe has called forth a new kind of life, attuned to the idea of unity. The Community, which still wishes to expand, would not have developed this power if we had confined ourselves to saying "we must first of all try to find an ideal solution". For the thing cannot be done!

What practical result has been achieved by the Council of Europe's efforts to bring about European unity? It has got nowhere. But it is a fact that the Six, with their Economic Community, have undeniably got somewhere and influenced the whole of Europe; and it is a fact that we wish to make further progress towards economic integration, not only within our Community but outside it as well.

Now, after events that we all regret—for without them there would have been an excellent solution—we are confronted with the idea of the Atlantic partnership. We have been concentrating on that idea. The various speeches have revealed general agreement that we should follow it up.

But here again, the necessary preliminary to the great aim of economic co-operation in the West, and above all in the Atlantic world, is the existence of some kind of large, close-knit community in Europe.

At the beginning of these remarks I mentioned that this proposal was made just when the European Economic Community —as we assumed, as we hoped, as seemed possible—was about to extend over a wider area of Europe through the entry of the United Kingdom and through the association of other States. But had it not been for the existence of the European Economic Community and its forward-thrusting community spirit, the

proposal would probably not have been made at all. At least the United States would have had no inducement to consider it. For the purpose of partnership there must be a unit in existence. And the only existing unit is to be found in this European Economic Community of ours.

This brings us back to the path of European unity. In the European Parliament we have always stressed the fact that we do not want to shut ourselves off, we want to push forward, we want to develop this nucleus, our Community, and use it as a contribution to the task of unifying Europe. But I should like to say this to our friends in the other countries, and it is a point on which we are all agreed—Europe must have the power to act. And the various institutions of the European Economic Community enable it to act. It is hard to see how there can be any capacity for action in the absence of communal institutions. I do not want to say too much about integration, only to point out that one must have a capacity for action, not in order to become a "third force" but in order to become any kind of a force, in order to be able to carry on negotiations for the establishment of co-operation at the Atlantic level.

This capacity for action has been made clear in one very special way. It is revealed by the fact that the European Economic Community is becoming stronger and stronger in the matter of its foreign trade policy, and will ultimately be independent in that respect.

That, of course—I must say this in conclusion, for it is time we heard something definite—that is the key to the arguments about association. If we were not more or less at one in our foreign trade relations, we could not appear before the world as a unit. There lies the rub when we come to consider the practical implementation of any association agreements.

However much scepticism has been expressed here, the fact remains that we are going through a difficult period, not simply within EEC, of course, but in overall European development. For the moment nobody has a universally applicable recipe for

the completion of European unity. We are in a period where we must advance step by step, stimulated at times by the idea of the Atlantic partnership and at others spurred on by the necessity of solving specific problems. I am sorry, of course, if arguments break out over chickens, carpets, or glass ware. But these little disputes oblige us to consider our position, impel us in the direction of unity and make us see big.

If the European Parliament is accused of paying too much attention to special questions such as the marketing of milk, butter or fats, the reply must be, "But that is the essence of our task!" These practical matters have to be settled, and by doing so we can demonstrate that we are moving forward towards our ultimate goal. The necessity of overcoming difficulties of this kind urges us to make progress in large issues as well.

We must have confidence —and by "we" I mean also those European States which are not Members of the Economic Community—confidence in one another and in ourselves. We must overcome this crisis.

May I, in conclusion, refer to the question of further political development. I do not think it is a good thing to say "We wish to revive the Fouchet Committee", or "We do not wish it". Flat statements of that kind always call forth opposition.

But one thing is urgently necessary, and the European Parliament has always said so quite clearly—and that is, to extend the Economic Community into the sphere of foreign policy, defence policy and cultural policy. As to what you call that, whether you call it a political union or by some other name, that is a different question.

We have been accused of being "stubborn integrationists". But we have shown in our discussions—you need only read the proceedings of the European Parliament!—that our ideas on the subject are very realistic. We were prepared to follow two roads—in economic policy the road to integration; and in politics—to help us move forward—the road of co-operation without

communal institutions, in the hope that the work on the political community would decide the matter; for once development has begun on common sense lines, the moment is bound to arrive when some organisation very similar to a Community will come into existence.

And that was the chief point at issue—were we to become a *bloc* or were we to remain open? A political agreement is possible, of course, only if we do not form a *bloc*, but remain "open" as we advance towards Europe. We must go ahead, we must take care not to get bogged down.

I therefore consider that the European Parliament is correct in believing that we must go forward in economic matters, but close up our ranks where politics is concerned, though, of course, we must continue to be receptive and capable of development. If we are to become a realistic but progressive, modern European unit, we must seize every opportunity and never lose sight of our great aim, the great aim of European unity within a community which respects small and medium-sized States and enables the large ones to co-operate with them on practical lines without being tempted to thoughts of domination.

This discussion has left us with the impression that neither side is eager to criticise the other, that we all want to bring the facts to light and acknowledge them. We must be progressive. We do not intend to give up the ideas that guided that admirable man, the late Robert Schuman, when he made his first, fundamental decision—we want to take them as the starting-point of our attempt to achieve a new, united, modern Europe as we understand the term. (*Applause.*)

The Chairman (*I*). — Ladies and Gentlemen, there are one or two comments I should like to make at the end of what has been an interesting debate.

At every Joint Meeting mention is always made, with considerable satisfaction, of the close and friendly relationship between our two Assemblies, each inspired by the same principles

and ideals and each, within the framework of the European institutions, having its own significant and important contribution to make to the common task of building a united Europe.

Today, however, a particularly fortunate circumstance allows us to see with our own eyes, as it were, an embodiment of that close relationship. The President of the Consultative Assembly of the Council of Europe, Mr. Pflimlin, is also a distinguished member of the European Parliament, so we may say that, in his person, the life and work of the Consultative Assembly has been brought closer than ever to the life and work of the European Parliament. In offering to the members of the Consultative Assembly, and to Mr. Pflimlin, its President, the best and most cordial wishes of the European Parliament, at the end of this Joint Meeting, may I also express my conviction that the collaboration between our two Assemblies is destined to bear ever richer and more abundant fruit.

Our examination of the report on the activities of the European Parliament and the debate that followed have clarified the progress already made towards united Europe and provided an opportunity for reviewing how much or how little has been done and for quietly taking stock of the situation. This calm reflection on recent happenings will help us to understand more fully the nature and value of the work we have accomplished so far and, in particular, to draw the necessary lessons from the past before continuing with renewed faith and vigour along the road that lies ahead.

The shadow of 29th January 1963 still lies heavily over the European Parliament and the Community as a whole. We need not over-dramatise the situation, or let ourselves become unduly discouraged; but it would, all the same, be wrong to minimize the repercussions of that unhappy day on the life of the European Community. There is no denying that, since January, the Community has been in a state of stagnation. It was, and still is, a serious crisis, one which, if it persisted, could well paralyse the whole movement towards unity. We remember other crises in the past; the 1954 crisis, for example, which followed on the

failure of the far-reaching plans for the European Defence Community and a European political community; or the 1958 crisis when the scheme for a great free trade area came to nothing. Nevertheless, the 1963 crisis seems, and undoubtedly is, more serious than any of the others because it occurred just when the movement towards unity seemed to be flowing freely and vigorously and we hoped we were entering a new and more promising period during which the Community would expand until it covered the whole of greater Europe. Disappointment is always more bitter when success has seemed to be just around the corner.

All the same, when one looks below the surface and takes the trouble to consider the origins of the united Europe movement and the arguments and principles on which it was based, one realises that the 1963 crisis was a consequence, which it would have been difficult to avoid, of the historical and political situation in Europe.

That situation was, and still is today, dominated by the struggle between the opposing forces of unity and disunity which have existed for centuries on the historic territory of our old continent. The whole web of European history is interwoven with the threads of this struggle. It has been rightly said that the salient characteristic of our history is that it reproduces in itself one of the more dramatic aspects of European thought, the dialogue between opposing forces. Whenever a balance has been achieved between the spiritual and political forces that make for unity and the forces that make for disunity and dissension, Europe has known its finest, its happiest and its most fruitful hours; whenever that balance has been disturbed, and the forces of dissolution have prevailed over those of unity, it has been the prelude to a dark period of strife and fratricidal conflict.

For the last half century or so, Europe has been searching anxiously, desperately, to establish a new, better and more stable balance that will open a new period in her history, marked by the complete, permanent and harmonious union of all her component parts. In the last twenty years, a group of brave, idealistic

and farsighted men have achieved the miracle of providing a real basis for such a balance which has coincided with the moment when the historic forces in Europe have most happily combined at new and higher level. We have not, however, at least so far, drawn the necessary consequences from this achievement and it can certainly be said that, especially in recent months, the determination to continue working for a political Europe has been lacking.

It is right once again to recall, however, that it was that political purpose which certainly inspired the representatives of the ECSC countries at their meeting in Messina on 1st June 1955 when after the failure of the EDC, they agreed to go on working for a politically and economically united Europe. Their original plans may have been modified and they may have had to make some concessions—this always happens in the drafting of any diplomatic document—but no one can deny that the Rome Treaties offer plain and irrefutable proof of our joint determination to use economic integration as a means of ultimately achieving the complete unification of Europe.

We all know only too well what happened during the first five years of the Treaties. While economic unification advanced by leaps and bounds, sometimes at an almost frightening rate, the advance towards political union slowed down. It may even be that the spectacular economic development, actually, at one point, delayed our political advance. It is arguable that the brilliant success of our economic integration and the wave of prosperity that it brought, although in varying degress, to all the peoples of the Community actually provided an additional ground of support for the nationalist elements in their Governments, and reinforced the chauvinistic tendencies of the people.

However that may be, a correct interpretation of the Treaties shows that they require the provisions for political unification to be carried out simultaneously with those for economic integration and with the same determination. The cause of the crises that have befallen the Community—some more, some less serious, but constantly recurring—has been that we have abandoned that

interpretation and elevated the economic factor above the political which we have allowed ourselves to disregard. Attention has repeatedly been drawn to the dangers of this course, not only by the Treaties' actual authors who knew exactly what their ultimate objectives were, but even more by the members of the European Parliament who have proved the wisest, more vigilant and most faithful guardians of the true spirit of the Treaties. How often have voices been raised in this chamber to urge, to admonish, to beg for rapid action on the political side too, as being ultimately the only method of achieving, even if only in the remote future, the great objective we described in our Resolution adopted last February as "the establishment of a United States of Europe, an economic and political community based on equality of rights as between its member States and with its own institutions independent of the Governments." The European Parliament has never tired of warning us of how precarious our achievements in economic integration will prove unless the political foundation is strengthened. In fact, unless our progress in the economic field is accompanied by similar progress in the political field, not only will it risk becoming useless but its advantages will not be distributed equally throughout the integrated economy. No one can have forgotten the difficulties that attended the opening of the second stage of the Common Market and, as everyone knows, there are whole sectors of the Community's economy, for instance our common trade policy, in which no progress has been made, and others, such as our agricultural, fiscal and energy policies, in which progress has been slow and uncertain.

It is therefore certain that, in the long run, both the actual survival of the economic Community and its capacity for future development depend upon the progressive establishment of a political community. It is no good shutting our eyes to this. An economic community whose development was stabilised at the point we have now reached would be bound, sooner or later, to deteriorate, if not to break up altogether. As has been said already, the political and the economic community are two sides of the same coin.

Those who, quite rightly, are concerned for the future of the European Community are practically unanimous as to the

imperative and unavoidable need to reach a decision on the political unity of Europe. A number of steps have been taken, and proposals made at varying levels. Among others, it is worth recalling the report submitted to the hundredth meeting of the EEC Council of Ministers last April by Dr. Schroeder, the German Federal Foreign Minister, in which has been designed, not without justice, the new attempt to get Europe moving again. All this more than justifies the determination with which the European Parliament has pursued this question almost, it may be said, from the day it was first constituted. It has not overlooked —indeed it has stressed—the need to review those parts of the Treaties which, it can now be seen, are hampering or slowing down development on the political side, or which have now been overtaken by events, as well as the need to add new rules to the Treaties so as to bring them into line with the present level of economic integration. It has also, however, always insisted on absolute priority being given to the punctual observance of all the provisions of the Treaties, political as well as economic, and we feel this should remain the Community's first and immediate objective, especially in the situation created by the decision of 29th January.

I myself also, as President of the European Parliament, have lost no occasion of reminding all who are working for European unity that the principles, the basic assumptions, the provisions of the Rome Treaties must be respected in their entirety.

Today again, I want to take this opportunity of renewing the requests for the effective implementation of the programme for political Europe submitted to the Governments of the Six by the European Parliament, especially over the past two years. I want, from this Chair, to address a solemn and urgent appeal to those Governments to cast aside their present doubts and hesitations; to examine the Communities' current problems in all their aspects with the object of finding a solution to them; and to bring to this task a real political will and something more than mere perseverence, something I would almost call passion. Once they have embarked on this path, I appeal to them to continue along it with increased alacrity and a common determination to

achieve the goal of political union; in short, to make every possible effort to dissipate the atmosphere of suspicion and pessimism at present stifling the life of the Community and endeavour to reach an agreement, even if a limited one, that will enable the machinery for political unification to be put into motion once more.

There are several urgent questions requiring to be dealt with if we are to carry out our solemn undertakings under the Rome Treaties, but I shall only mention some of them.

First of all, there is the question of the Community's headquarters. We can no longer do without a headquarters which will ultimately become the capital of the future continental European State which we hope will take the form of a United States of Europe. This is indispensable if we are to function properly. Once the Community's capital has been decided on, it will be possible to concentrate all its various bodies, now operating in different towns, in one place. It is undignified for the European Parliament, the representative body of six countries, five years after the entry into force of the Treaties, still to be without a place of its own and be obliged to have recourse during its Sessions to the hospitality of the Council of Europe, however willing and friendly that hospitality may be and however grateful we may feel for it.

In asking that the Community should have its own capital we are also calling for a symbol of European unity visible to all. Minor considerations of national prestige give way before a higher common interest which is both practical and idealistic. How can our peoples believe in the declarations of good will and faith in Europe made by their Governments when they see those Governments still at loggerheads on a question which may be delicate but is certainly not of major importance.

Then there is the question of a European university. You know as well or better than I do how often every aspect of this has been discussed at our yearly Joint Meetings, in the European Parliament, and in numerous other places. Yet, in spite of all

this, we are not one step further on. Like the question of a capital, the birth of a European university has a practical, as well as an idealistic, value for the Community. The university is intended to be the first of many centres providing university training at a high cultural level, and in which a genuinely European language will be heard for the first time. We might adopt a sentence in Thucydides and say: "The strength and the future of Europe lie neither in her ships nor in her walls, but in her men"; in other words, in her thought.

Lastly, there is the question of the European Parliament itself. This has several aspects but I think, for the moment, we can confine ourselves to two of them: the need for strict acknowledgement of its powers and for the election of its members by direct universal suffrage. In this way the Community would have the central driving force needed to stimulate the working of its other institutions and, above all, to preserve within itself the spirit and rules of democracy. The European Parliament was originally conceived as the heart of the European Community, and that is what it must become if the Community is to develop and prosper.

As to whether the European Parliament ought to be given additional powers, we should remember that, until we have given it full democratic control over the whole life of the Community, we cannot be said to have provided a truly stable foundation for democratic laws and customs. As you know, one of the results of increasing economic integration has been to remove certain matters from the control of our national Parliaments but without bringing them under the control of the European Parliament. That is a serious omission which must be remedied. For example, the European Parliament cannot be deprived for much longer of one of the fundamental prerogatives of any efficient and well-organised parliamentary body, namely control over the Community's finances. Another right that ought to be effectively recognised as belonging to the European Parliament is the right of decision regarding the Community's international agreements before their adoption.

Clearly, as soon as full confidence has been restored between the six Common Market countries themselves, we must make a fresh start towards gradually expanding Little Europe into Greater Europe. I have said this before, but I am delighted to say it again. A little Europe determined to remain within its present limits would not last long. No one really anxious to create a single State out of continental Europe can afford to come to a halt, to draw distinctions between the countries of free Europe that he regards as being "less" and those that he regards as being "more" European.

Of course, we must be prudent; of course, we must make sure how far the Community can develop with safety. But what is wanted above all is a constructive, fearless and long-sighted policy, always keeping in view the ultimate goal of European unity, although necessarily always also taking due account of the political climate in the member countries at any given moment. Let this policy be inspired by the example and teaching of one of the great founding fathers of the European Community, Robert Schuman, to whose memory we paid tribute yesterday and of whom it has rightly been said that, in addition to his great gift of foreseeing and promoting future developments, he possessed an acute political sense which prevented him from ever losing contact with reality.

So the great task of the European Community remains the expansion of Little Europe into Greater Europe. Everything is pointing in the same direction: the strengthening and expansion of our economy, the need for closer organic links with America, the possibility of Europe becoming the second, equally important, pillar of the Atlantic Alliance and an indispensable element, now and in the future, in the strengthening of the free Western world and the preservation of our priceless heritage, so that it can be handed on, enriched, to our descendants.

Besides, there is no alternative. Not long ago, President Kennedy said, quite rightly, that no nation could today build its own future in isolation. The age of self-sufficient nationalism had given way to that of inter-dependence. The cause of Western

European unity, he said, was founded on logic and good sense, on moral and political truths, on sound military and economic principles, and on the whole course of history. He was right. All the arguments are on the side of unity; none of them is against it. Our progressive unity accords perfectly with the march of history. We are not credulous visionaries but men who remember the troubles of a past which must never return, for if, by some misfortune, it were to return, a whirlwind of destruction would again descend on our lives and our belongings.

Lastly, the great argument for a united Europe is all humanity's longing for peace, the first weak and uncertain rays of which have begun to pierce through the heavy black clouds which have hitherto obscured our horizon.

To found Greater Europe would be to take a decisive step towards a more stable peace than that we have known during the last twenty years. More than a century ago, the Italian writer, Carlo Cattaneo, said we should have peace when we had the United States of Europe. True peace can only spring from European unity.

That is why we have said and still say that no obstacles, dangers or disappointments will make us flag in our purpose. We shall continue the fight with determination, constancy and enthusiasm, in the absolute certainty that our present path, the path we are determined to follow, is the only right one. It is the appointed road to a better Europe and the road marked out for us by divine Providence. (*Applause.*)

2. *Closure of the Joint Meeting*

The Chairman (*I*). — I declare closed the Tenth Joint Meeting of the members of the European Parliament and the members of the Consultative Assembly of the Council of Europe.

The Sitting is closed.

(*The Sitting was closed at 12.35 p.m.*)

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