EIGHTEENTH JOINT MEETING

of the Members of

THE CONSULTATIVE ASSEMBLY

OF THE COUNCIL OF EUROPE

and the Members of

THE EUROPEAN PARLIAMENT

(STRASBOURG, 8 JUNE 1971)

OFFICIAL REPORT OF DEBATES

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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:

(*F*) = speech delivered in French.

(*G*) = speech delivered in German.

(*I*) = speech delivered in Italian.

(*N*) = speech delivered in Dutch.

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

SUMMARY

Sitting of Tuesday, 8 June 1971

SITTING OF TUESDAY

8 JUNE 1971

IN THE CHAIR: Mr. WALTER BEHRENDT

President of the European Parliament

The Sitting was opened at 11 a.m.

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

1. *Opening of the Joint Meeting*

The Chairman (*G*). — The 18th Joint Meeting of members of the Consultative Assembly of the Council of Europe and members of the European Parliament is open.

May I remind you that the Rules of Procedure which will apply are those agreed jointly by the Bureau of the Consultative Assembly of the Council of Europe and the Bureau of the European Parliament.

I would ask those members who wish to speak to put their names on the list of speakers in Room A 93.

The purpose of the Joint Meeting is to hold an exchange of views between the members of the two Assemblies, without taking a vote.

2. *The function of an enlarged Community in the European context*

The Chairman (*G*). — The agenda now brings us to a discussion of "the function of an enlarged Community in the European context".

I call Mr. Frydenlund, Rapporteur for the Political Affairs Committee of the Consultative Assembly.

Mr. Frydenlund, *Rapporteur for the Political Affairs Committee of the Consultative Assembly of the Council of Europe* (*G*). — Mr. Chairman, the establishment of the European Economic Community in 1958 did more than initiate a dynamic process among the member States. The introduction of new forms and methods of co-operation between these member States also brought changes in the international system, particularly at the European level.

Any enlargement of the Communities will undoubtedly make them a still more dynamic factor in international politics.

But, Mr. Chairman, it is not enough to state that an enlarged Community will have substantial repercussions on the outside world. We must also be quite clear as to the kind of repercussions it will have, and we must also ask what function an enlarged Community is to fulfil, for example, in the broader European context. This is the question we are to discuss today at this

Joint Meeting of the European Parliament and the Council of Europe Consultative Assembly.

Properly speaking, the presentation of this report calls for an apology on my part for not keeping strictly to the stated subject. Instead of answering the question what the function of an enlarged Community in the European context should be, I have asked new questions, questions about the substance of that Community, its socio-political aims, and also about its institutional structure, about the ways in which political will is shaped inside the Community. I have done so because the more I worked on the report, the clearer it became to me that the substance of this Community and its future structure will be decisive as regards the part it will be able to play in international politics and consequently that the function of an enlarged Community in the European context is itself a function as it were of its own substance and its own structure.

The question is not simply what effect an enlarged Community will have on the world outside, but also how the Community itself will manage to face up to the reactions it has sparked off.

The policy pursued by an enlarged Community which is the most significant trading power in the world will decisively affect the fortunes of the developing countries. Moreover, the consolidation and enlargement of the Community must necessarily influence the European policies of the super-powers. That also means, however, that the Community must ask itself what attitude it is to take towards Eastern Europe, and also how it views the European scene as a whole. But the Community also bears a responsibility to those countries which, while belonging to Western Europe, cannot become Members of the Community, either because they wish to maintain their neutrality or because they cannot prove the democratic legitimacy demanded by the Treaty of Rome.

I was also struck during the preparation of my report by the degree to which the various aspects of European policy are inter-

woven. For example, the way in which the neutral EFTA countries are to be associated with the Community will depend not least on whether the rapprochement between the two halves of Europe continues. But the form which future relationships between Eastern and Western Europe will take are in turn closely bound up with the question of what form the relationship between an enlarged Community and the United States will take. This will have to be part of a negotiated agreement between the United States and the Soviet Union.

However, the negotiations between these two super-powers are themselves influenced by the progress of integration in EEC and the possible enlargement of the Community. Under the pressure of this move towards integration in Western Europe, the two super-powers must reach agreement, first on their future roles in Europe and secondly on a common European solution which also takes their own interests into account; they must decide how the dynamics of the Community can, so to speak, be channelled into a direction acceptable to both the super-powers.

I have attempted to demonstrate how integration inside the Community, the rapprochement between Eastern and Western Europe, and the relationship between the two super-powers are mutually interdependent. It appears today that simultaneous developments are under way in all these areas and that these developments might well proceed in the same direction.

In the first place, the super-powers are negotiating together, at the so-called SALT talks, about arms controls. And the NATO Conference which has just ended in Lisbon suggests that talks about mutual troop reductions in Europe are also going to take place.

Secondly, a process of rapprochement between the two halves of Europe has been under way for some years, and it is essentially the outcome of a conscious policy on the part of the EEC member States. The convening of a conference on European security and co-operation is the avowed aim of the East European

States. But concrete preparations for such a conference depend on the success achieved in the current negotiations on Berlin.

Thirdly, the Community is on the point of consolidating its own integration, enlarging its membership and also extending co-operation to the field of foreign policy—all of which may be regarded as acknowledged preconditions for a further, active policy towards Eastern Europe.

This whole development, which is leading towards a turning point in the history of Europe, compels us again to consider the function of the enlarged Community in this larger European context, for the events which confront us today call for an overall conception.

The best answer to that question is, I believe, contained in the speech which the Federal Chancellor, Willy Brandt, made at the Hague Summit Conference in December 1969.

I quote:

"The integration of Western Europe should be viewed in the context of Europe as a whole. For the European Community does not see itself as a club for self-sufficient Europeans, but as an ordered unit in this part of Europe, which needs an organic link with the East European States. In the final analysis, all the peoples of Europe bear a joint responsibility for the peace and development of our continent."

I am convinced, Mr. Chairman, that this is the right way. And the indications are that in the long term, it may also be a possible way.

In the report before you, as I mentioned earlier, I have raised questions about the future substance of the Community and the way in which political will is shaped inside it. Not the least of my reasons for doing so is that these questions will be

debated very keenly, indeed passionately, in the candidate countries, and because the answers to them may be of great significance in respect of the enlargement itself. There is no point in denying that certain sections of the population in the applicant countries are averse to membership of EEC. But their resistance derives in part from uncertainty as to what the Community actually is and will become, and what it will mean to the lives of individuals.

Those representatives of the EEC member States assembled here are hardly likely to understand this problem. For them, EEC is part of their everyday political environment. Over more than thirteen years they have amassed experience on the value of its integration to all the States involved, and there is all-party agreement in their countries on the advantages which that integration has brought with it. In the applicant countries, the situation is different in this respect. This is a psychological reality which must be taken into account if it is to be overcome. This EEC, this edifice, has been built up piece by piece by yourselves. But our own people are faced with the prospect of going into a Community which has been constructed by others, mostly as the result of hard bargaining among the present member States. I am not saying, Mr. Chairman, that you should change this Community, this edifice, in order to facilitate our entry, although the outcome of the present negociations may be of decisive importance. Nor do I intend to suggest that these internal difficulties in the applicant countries will not be overcome. This is very largely a matter of information. I make that comment, Mr. Chairman, because we need answers to the questions asked in the report. We must be able to explain to our younger generation that the society which they dream of creating in a national framework can only be achieved in a broader European context, that the future substance of an enlarged Community represents a socio-political alternative, and that an enlarged Community must also make democratic control possible at supranational level, which would mean an international breakthrough for democracy; but also that the dynamics of Western European integration are to be placed at the service of extending the basis of peace in Europe and made to contribute to solving the problems of the developing countries.

These are very exacting demands, Mr. Chairman, but in reality they do no more than reflect the challenge with which the Community is already faced.

May I conclude with another quotation from a speech by the German Federal Chancellor at the Hague Summit Conference. He said:

"Without Britain and the other applicant States, Europe cannot become what it can and ought to be." (*Applause.*)

The Chairman (*G*). — Thank you, Mr. Frydenlund.

I call Mr. Giraudo, drafter of the working paper prepared on behalf of the Political Committee of the European Parliament.

Mr. Giraudo, *Rapporteur of the Political Committee of the European Parliament* (*I*). — Mr. Chairman, first of all let me congratulate Mr. Frydenlund on his full, thoughtful and coherent report, and let me also, as the Rapporteur presenting the working paper of the Political Affairs Committee of the European Parliament, convey our sincere greetings to the President and all the members of the Council of Europe Consultative Assembly. I should like, too, Mr. Chairman, to draw the attention of those present to a small last-minute slip in my working paper.

As may be seen from a comparison of the English and French texts, which are correct, with the German, Italian and Dutch versions, the last three paragraphs of point 7 in these three languages should, for the sake of logic, be inserted at the end of paragraph 5.

Let me now point out that the working paper, in this extremely concise, not to say meagre, form, is intended to serve two purposes: to help dispel any confusion between what is desirable and what is possible in the immediate context of enlargement, which we hope is now imminent; and to draw attention to the fundamental consequences of enlargement both inside and outside the Community.

We all know what is desirable: the political union of Europe, the final objective of the current process of building the Community. But, as Mr. Sandys pointed out at this very meeting a year ago, unity cannot be created; it must grow. It is about growth that we wish to speak today, taking the enlargement of the Community as a stage in this process, both in giving it greater political weight in Europe and in the world at large, and in bringing about an inevitable strengthening of internal structures.

The theme, then, is not the distant but the short and medium term objectives, and, when discussing what is probable, we have stressed what is actually possible, and indeed so possible as to appear necessary. If we are to have a responsive Community which will develop and grow organically and not mechanically, the Community must first and foremost prove responsive to itself. This means that the Community, responding to the life force inherent in every living being, should try to fulfil its own identity, in quantitative and in qualitative terms, providing adequate institutions and tools for the further development of its policies.

Even if the Community, after the entry of the applicant countries, will still not cover the whole of Western Europe, and will still fall far short of the Utopian ideal of a continent-wide Community, it will nevertheless have to take firmer steps towards the establishment of its own institutional identity. I say it will have to, because the entry of four democratic countries into a Community which claims to be democratic and which makes democracy, as a system and method, the sole but essential prerequisite for the accession of new Members, would be pointless if not translated into a determined effort to match the Community's institutions to its stage of development.

When Mr. Malfatti says that the hour of truth is at hand, and adds that if Europe really means to be Europe, it will have to provide itself with the tools needed to achieve its aims, he is drawing our attention and the attention of our governments beyond the serious monetary problems of the day to the basic question

of how far the system fits the principles proclaimed at The Hague in December 1969, and how far our institutions fit the nature of the system. Of course, we are aware that the Community develops step by step pragmatically, and subject to the frequent conflicts of a multiple personality still too diversified and too sensitive to respond promptly and on every occasion to the higher calls of unity, even in matters already under common control. But, as I wrote in the working paper, the inductive method has a logic of its own and fosters de facto and de jure situations from which we cannot escape without depriving the pragmatic approach itself of any sense and credibility. And so, to reinterpret what Mr. Malfatti has said, I would say that if democracy really means to be democracy, the exercise of powers beyond the control of national parliaments in matters of financial impact or in measures placing obligations, directly and individually, upon the citizens of the different member States cannot continue without the European Parliament's control. This supervising power demanded by the European Parliament is not a privilege to be extracted from governments but a right and a duty, a need which governments must simply note and recognise, frankly and objectively and with political realism, bearing in mind that certain modest but effective powers have already been conferred upon the European Parliament and that others are to be granted shortly under the agreed programme (I am referring to the application of the Treaty of Luxembourg and the deadline of 1 January 1975 by which the Community is to exercise full financial autonomy).

Enlargement as such does not alter the nature of the institutional problem, but does highlight the problem, since it will add to the present internal Community reasons others such as the democratic and parliamentary consistency of the applicant countries, and the political role that, from several angles, including democratic consistency, will have to be assumed by a Community of 235 million people.

Long-term plans, such as the institution of a real Community government, must not distract our attention from the need to reinforce existing institutions. When I speak of existing institu-

tions I mean, apart from the Parliament, the increased powers required by the Commission and the problem of unanimous or majority decisions in the Council of Ministers.

The trend towards a Community government, leaving aside theoretical projects for a federation or confederation, will emerge more clearly as the powers and structure of the European Parliament develop.

I wrote in the working paper—and if I repeat it now, it is because it is my firm conviction—that it is through this steady equal growth of its parliament and government that the enlarged Community will be able to consolidate its stability and internal equilibrium; its institutional structure will thereby take on the characteristics of a political entity, unique in itself and its future and in the way in which it manifests itself in its dealings with the other countries of Europe and the world.

Mr. Hallstein rightly said in his book *L'Europe Inachevée* that integration is not a static fact but a process, a continuous creative process in which nothing is automatic but everything is intrinsically linked, and every objective achieved points to others ahead, so that this challenge, as he calls it, this race towards the future is the most changing and yet the most constant factor in the building of the Community. And it is just because the Community is like this, complex in matter and method, just because it contains political forces in tune with reality yet capable of surpassing it, that the entry of the United Kingdom will make—I believe and hope—a decisive contribution to stability and political creativity. Just how great is this need for stability and creativity in EEC is shown by the current monetary crisis. I believe that there is a way, perhaps even a quick way, out of this crisis given the political will to press on with economic and monetary union, resuming the debate, on the 14th of next month, not only to find a cure for the symptoms of the disease but to eradicate its causes. Indeed, according to reliable experts, cutting down and even eleminating the range of fluctuation between European currencies as well as creating a European reserve fund could be done within

a few months, if only there were a genuine will to do so. Just what can be done given the political will is shown by the great step forwards in the Luxembourg negotiations yesterday.

Mr. Chairman, in my speech so far I have confined myself to looking at the internal problems of the Community and to forecasting the salutary pressure to find solutions that may stem from entry of the applicant countries. I must now point out that, if the Community is responsive to itself because it aims to grow in area and institutional stature, it is also responsive now, and will be even more so when enlarged, to every opportunity of co-operation in Europe and throughout the world. We may well repeat what Mr. Stewart had to say here last September, namely that the increasing unity of countries that are democratic and prosperous presents us with a challenge to perform our duty to the less prosperous parts of the world and to seek to our best ability whatever relaxation of tension can be achieved between countries like our own and those parts of the world which live under undemocratic forms of government and which, as far as we can see, are likely to live so for some time.

I shall not take time now to analyse how the Community is to perfom its duties to the neutral countries of Europe, to the Mediterranean countries and to the developing countries, whether or not they be associate Members of EEC. This was fully discussed in this same setting last September, and more than once since then at the European Parliament. Mr. de la Malène will be speaking on this subject when he presents an opinion later today, and will certainly bring to bear his acknowledged competence, concentrating, I assume, on the EEC's relations with neutral and Mediterranean countries. I shall therefore confine myself to the observation that this binding duty, from which the Community derives the highest sense of its own mission in the world, will become increasingly productive in its effects on those outside as the Community itself achieves reasonable conditions of security. No one believes that the enlarged Community either would or could aspire to engage in future in power politics. But no one can deny it the right and duty to achieve for itself, in Europe and in the Mediterranean, that measure of security, independence and initiative that inevitably requires a certain degree of credible power,

without which—as President Kennedy said—we shall not be listened to when we come to speak with the powerful.

In my working paper I recognise that these developments will take place within the context of the Atlantic Alliance, but point out that, by the very process of enlargement, the Community can become an equal partner, and, reinforcing by economic and monetary union its own standing as a great power in economic terms, it will be able, with gradually increasing commitment, to achieve integration with a common foreign and defence policy.

The reference to NATO and to the fact that the Community intends to continue as an integral part of NATO are things that some people—as the communist members will allow—do not like. They point to another way. With Mr. Amendola, they maintain that in the interests of the European Community our political aim should be to bring EEC within the framework of the United Nations as a regional organisation, cutting off our Atlantic links and transforming the whole Community into neutral territory, a no-man's-land, to which Austria, Sweden and even perhaps Finland might eventually accede.

But the way the communist members are pointing is not a course along which we can progress or move in the direction of some objective, but an enclosure, and Britain would certainly set sail for the open sea rather than enter such an enclosure.

The Community's Atlantic commitments do not prevent it from seeking, now and in the future, its own independence, and with this independence from fostering every possibility and every opportunity to step up fruitful collaboration with the countries of Eastern Europe. Such a policy will take effect not so much through bilateral agreements such as we have had hitherto as through multilateral agreements, if, as we hope, the cautious but encouraging conclusions of the NATO Ministers in Lisbon meet with a positive response in Moscow.

I wrote in my working paper that with the entry of the United Kingdom and the other applicant countries the USSR's propaganda campaign against EEC would lose much of its force. I hope that this will be so, in the interests of the Countries of Eastern Europe themselves and in accordance with the political realism of the Soviet leaders, who should not fail to note the interest and appreciation shown by other communist countries, and recently even China, where EEC is concerned.

Mr. Chairman, as I near the conclusion of my speech, may I draw your attention and that of the representatives from the Council of Europe and the European Parliament to the situation in the Mediterranean. I will do so not to deplore the impotence that has given us cause for shame in recent years, but to urge a new awareness of the responsibilities that Western Europe, with the enlargement of the Community, will have to consider from a different level of commitment, enabling member countries to attain greater cohesion in order at last to achieve the general policy towards all the Mediterranean countries already urged here so many times.

In conclusion, to express some optimism as to the future of the Community after enlargement, I should like to repeat the credit side of some predictions, not all rosy, that I read in a reliable Italian periodical a few days ago. The substance of the credit side was as follows: once they are inside the Community, the British will be far more active than is assumed, since for many of them the main interest in joining the Community is political.

Once they are Members they will want to make the community an effective entity, and—the article continued—President Pompidou, with his pragmatic approach, will become convinced that French interests would be best served and safeguarded by a stronger European structure. The same will apply to the Federal Republic of Germany, which will shift its attention increasingly to the building of Community Europe as its *Ostpolitik* reaches its limits. Italy and the other Members will continue to urge faster

progress. And faster progress will indeed be made. But, Ladies and Gentlemen, this last expression of optimism was not in the article. It is I who say this. And I say so not to delude you and myself, but to encourage us all to hope. The truth of these predictions will be proved by subsequent events—some of them imminent, some not far ahead and others more distant, but all linked in a logical chain which is the fruit not of our imagination but of a policy, the only policy still capable of guaranteeing a future for Europe. (*Applause.*)

The Chairman (*G*). — I call Mr. Darling, Rapporteur for the Committee on Economic Affairs and Development of the Consultative Assembly.

Mr. Darling, *Rapporteur for the Committee on Economic Affairs and Development of the Consultative Assembly of the Council of Europe.* — The four reports which we are discussing reveal a welcome degree of unanimity on many of the issues before this Assembly. I think that it would be advisable for me to assure the Assembly that there has been no collusion between the writers of the reports. The fact that we have this degree of unanimity is extremely encouraging.

When the Council of Europe's Committee on Economic Affairs and Development considered how best to arrange its contribution to this important debate, it was agreed that the committee's report should be prepared and presented here by a United Kingdom representative. The reason for this selection of a British Rapporteur was not merely that he might be able to present a fresh, an outsider's view—or should I say, perhaps, a temporary outsider's view?—of the Economic Communities' achievements and prospects, which in itself might be useful, but that he could in a constructive way express the doubts about, and criticisms of, the Communities' structures and methods that are now projected in the United Kingdom in the great debate on whether or not Britain should become a partner in the Communities.

For Britain, as you know, Mr. Chairman, is deeply divided on this crucial issue. The final negotiations on the terms which

the United Kingdom must accept for membership are now nearing a conclusion in Luxembourg and in Brussels. They have not yet been published, and are not, in all their details, germane to our debate here. We are concerned here with the broader issues of association and the future of Western Europe, internally and in its external relations, which is dominated by an enlarged Economic Community.

I would nevertheless begin by commenting, if I may, on the Brussels negotiations, for there is a feature of these negotiations which many of us in Britain find greatly disturbing and that is, as it seems to us, the absence of democratic parliamentary control over the Communities' negotiators. We understand of course—and this has already been mentioned—that these negotiators are and must be Ministers and officials, the Council of Ministers and the Commission, but although the terms that will be finally agreed must be approved or rejected by the United Kingdom Parliament, there seems to be no provision for them to be submitted for scrutiny, approval or amendment, either to the national parliaments of the Six or to the European Parliament here.

Thus, to us in Britain the relative power of the Council of Ministers and the Commission compared with the European Parliament's relative lack of authority appears at present at least to be a major weakness in the Economic Community's structure and perhaps does not conform to the spirit of the Rome Treaty. We realise, of course, that if Britain becomes a partner we must conform with the rules: we must conform with what is to us a formidable written constitution. It will be a strange experience. We managed to get along without a written constitution and we have not had much experience of writing constitutions. We wrote one in 1932 to establish what was then called the British Commonwealth of Nations, the Statute of Westminster, but that constitution consists of twelve short paragraphs over three pages of print. That was all that was needed to establish this association of nations. We hoped after the war, in our pragmatic and perhaps somewhat dogmatic manner, that in helping, for instance, to create the Brussels Pact, a democratic United Europe might emerge from it and develop on similar loose and flexible lines.

But of course our friends and neighbours wanted a much stronger association and soon, in a matter of months, if the British Parliament approves the terms of entry, the United Kingdom will be in this stronger association. It is fitting therefore that we should look at the consequences that may arise—and I hope would certainly be brought about—in an Economic Community that is thus enlarged. I assume of course that if Britain goes in, so do Denmark, Norway and Eire, but they of course have to decide on their own in their own negotiations.

The first question then is what happens to the remaining EFTA countries. I leave out Portugal, because until she has a democratic parliament she has no place in a democratic Europe. I suggest and I believe that the European Parliament will agree with this opinion expressed by the Council of Europe that Austria, Switzerland, Iceland, Sweden and Finland should continue to develop trade relations with their former EFTA partners who may be in the Community and, indeed, with all the Communities' Members, and that no barriers be set up to hinder their customary trading arrangements. Whether this association between the Communities and the neutral countries should take the form of a free trade agreement or a customs union or some other special association is a matter for mutual discussion. But it is important that the principles of their association with the Communities should be fully accepted.

It may turn out—and I think this will happen—that what I can perhaps call non-member partnership will produce common economic and social policies with the Economic Community, so that full membership with the right to share in policy-making decisions will in time be a logical and not a difficult step for the neutrals to take. But to some extent at least this may depend on improving the Communities' relations and each individual country's relations with the Eastern European members of COMECON to remove their possible hostility to such a development.

The extremely important question of East-West relations has been fully discussed in the Council of Europe Assembly and our

views expressed in a clear resolution which asks for relations between East and West for political and economic reasons, and those views have been reinforced in the two speeches we have just heard and in the four reports before you.

I now wish to look further afield as each of the previous speakers has done. I do not need to express in forthright terms in this joint Assembly how essential it is for the Economic Community to give constructive aid to the developing countries of the third world and not to pursue policies which will impoverish them by denying them access to markets on which their livelihood largely or wholly depends. Within our national and our collective economies we lose little by adjusting our production and our markets to their needs, and we stand to gain much in production and exports of equipment and goods as they, with our help, improve their living standards, and we can adequately compensate those of our own people who may be affected by our helping these other poorer countries. We thus have a humanitarian interest and a self-interest in aiding the developing countries.

This is not the place to argue the claims of the sugar-producing countries and the rest of the poorer nations which look to Europe and to North America for a fair share of Western prosperity. I only wish to say that we have a moral duty to help them and that the Economic Community will be doing a great disservice to its own express purpose if it fails fully to honour its commitments to them.

Nor am I going to plead here on behalf of three richer countries—New Zealand, Australia and Canada—for access to the Community's markets, although they to a large extent—and New Zealand almost totally—built up their economies to supply Britain with food and raw materials; and it is my own view that Western Europe has much to gain from its continuing to maintain these complementary economies on a wider scale.

These three countries have, of course, been immensely beneficial to Britain in economic terms, but they have contributed

even more to the Western world by pursuing political, cultural and educational experiments from which every democratic nation can usefully learn many lessons.

All the member nations of the Communities in the last two decades have had to work out their own policies for balanced industrial development, providing inducements to attract industries to areas where work and incomes were greatly needed, seeking to achieve balanced growth everywhere within their economies; and so throughout Western Europe there has been a rich field of experiment in industrial development policies which the Communities' Members can usefully share, not only to find improved solutions, if these are needed, for their own national problems, but also to create policies that will provide something like a balanced development for Western Europe as a whole. For one of the Communities' aims must surely be to remove pockets of unemployment or low-income areas wherever they may be and revitalise them so that everyone can have a good standard of living, in rural as well as urban life, and something nearer to equality in educational opportunities, and with a determined drive against every kind of poverty everywhere.

To help to achieve this purpose we need to bring our trade unions actively into the apparatus of government of the New Europe that is being created. They are deeply involved in the Communities' economic policies and decisions which are taken, decisions which directly affect the welfare and living standards of the trade unions' members; and they have a right to be fully consulted on every issue on which decisions have to be worked out.

One such issue of immediate importance is that of the growth of multi-national corporations, these giant industrial and commercial enterprises which spread across national boundaries, which gained an important place in all our economies and which will increasingly influence the economic performance of our nations. Each of our countries has a common interest in this matter. None of us wishes to exclude investment from outside. On the

contrary, we should welcome the factories, plants and enterprises built in our countries by experienced, expanding and successful companies whose headquarters are located outside our national boundaries.

But there are grave dangers in having important sectors of our economies controlled by remote groups of directors, outside our countries, whose decisions are influenced by factors which may not immediately affect us but can do great damage to each of us.

We have, therefore, a common interest in protecting our economies from such adverse decisions, and we need to develop quickly a common policy for the legitimate control of multinational companies.

Many people in my country believe that the Economic Community, with its perhaps inevitable preoccupation with customs duties, food import levies, common agricultural policy, and taxation and monetary policies, is a kind of exclusive club for financiers, industrialists and business tycoons, a club from which working people and their claims for a better life are excluded. This, of course, is an exaggerated picture. We can see clearly from the Communities' figures of high levels of employment and wages and improvements in social welfare, that the working people have benefited. But the evidence of the Communities' concern for the wellbeing of all people—workers, farmers, technicians, and business executives alike—must be clearly demonstrated in deeds which everyone can see. Above all, as has been mentioned already, the democratic character of the Communities must be proved in practice.

A European Parliament that had no effective control over the policies and decisions of Ministers would be worthless, a mockery of parliamentary government.

Finally, we must also consider our many European institutions, for it seems that there are more than enough. They all too

often duplicate and complicate to a large extent each other's work ; so we must prepare carefully. We must work together to do this with the proper scope for each of our institutions—the Council of Europe, Western European Union, the Atlantic Assembly, the Economic Commission for Europe and the rest—to prevent overlapping activities and wasted efforts. Although much of the work now done by some institutions may well be taken over by an enlarged European Parliament, we must recognise that not all the Western European countries will be members; and they must not be shut out completely from what will become the major parliamentary body.

I can sum up briefly, in the words that appear in the report, that with the enlargement of the Communities I believe that the time has come to harness the idealism which brought them into being to the task of creating a truly European Europe which embraces the finest things in our traditions, our civilisation: a deep concern for the rights of every individual, concern for the quality of life, concern for political freedom, for democratic government, for justice, and for social equality. (*Applause.*)

The Chairman (*G*). — Thank you, Mr. Darling.

I call Mr. de la Malène, Rapporteur for opinion of the Committee on External Trade Relations of the European Parliament.

Mr. de la Malène, *Rapporteur for opinion of the Committee on External Trade Relations of the European Parliament* (*F*). — Mr. Chairman, Ladies and Gentlemen, the union of a number of European States in a Community is bringing about such a far-reaching transformation of the European situation that all the Europeans concerned would like to have a clear idea of the scope and significance of these changes.

The weight of an enlarged Community in international relations will be such that all the economic and political partners

are wondering as to its intentions and aims in order to have regard to them in the new balance of forces.

This transformation of the situation and the impact on the outside world compel us to make the difficult attempt to capture a moment of European history when that very history is being made.

The topic for our exchange of views, "The function of an enlarged Community in the European context", induces us to engage in long-term forecasting, a discipline which is both ethical and political. Our attention has to concentrate alternately on "the possible" and "the necessary", on what could be and on what should be.

From what we know of the present Community and the existing international context, we should arrive at as accurate an idea as possible of what an enlarged Community might mean in Europe and the world and what this enlarged Community ought to be. These two aspects recur in the concept of political aims.

Although it is not possible to pinpoint any specific revolutionary change, a number of events have radically altered the order established in international relations at the end of the second world war. The growth of the respective forces of the continents and of certain States has provoked crises and disrupted equilibria. The world is seeking new equilibria and the enlarged Community is part of this European and world context now being redefined. That is why it is not possible to find a single answer to the question of its political aims.

And that is why no time must be lost by Europeans in discussing the role, functions and responsibilities of Europe and the Community which is "its most powerful expression". The world in which we want to live, the society we wish to create, the Europe we are seeking to build also depend on Europeans. It is high time Europeans stated their own aims clearly, defined together the policy which an enlarged Community should pursue in Europe

and in the world, and considered the conditions in which it will take part in determining its future. It is no longer admissible that the Community should work from day to day without an overall plan, merely acting under the pressure of crises and of impulses from outside.

The preparation by the Community of a coherent strategy for its development in Europe and the world is an urgent necessity and a prerequisite for shaping the future.

Having launched the movement towards European unity based on equality and freedom, Europeans must at last honour to the full the engagements entered into among themselves and before the eyes of the world. To do so they must strive to equip the enlarged Community with structures capable of allowing it to play its rightful part.

But, first, what are the aims of European unification? What are the attendant responsibilities? Is it possible to agree on these? It is certain that the enlarged Community will become aware of its European and world responsibilities all the more rapidly if the present Community is able to define its own.

In December 1969, at the Hague Summit Conference, the Heads of State or Government of the Six spoke in paragraph 3 of a "United Europe capable of assuming its responsibilities in the world of tomorrow and of making a contribution commensurate with its traditions and its mission." In paragraph 4 they thought it essential for this Europe to be "true to its friendly relations with outside countries, conscious of the role it has to play in promoting the relaxation of international tension and the rapprochement among all peoples, and first and foremost among those of the entire European continent".

In the Foreign Ministers' report on political Europe, known as the "Davignon Report", more particularly in Part I, paragraph 2 Europe is called upon to prepare to shoulder the responsibilities which its increased unity and its growing importance make it both a duty and a necessity to assume in the world.

In the resolution it passed after discussing the report on the political future of the European Community, the European Parliament invited the Foreign Ministers to define, as a matter of urgency, the specific role which a democratic and independent Europe can and must play in the world.

These rather formal exhortations require to be expressed in more explicit terms. This opinion will seek to set forth certain more substantial elements in the committee's particular field of reference.

The enlarged Community will not only have functions commensurate with its geographical dimensions, functions in keeping with historical or cultural traditions, or necessitated by economic needs, it will also have truly political functions, i.e. deliberate functions developed with definite aims in view. What can and should that role and these functions be in the different spheres concerning the Committee on External Trade Relations?

Certain guarantees will be necessary with respect to the neutral European States which will remain outside the enlarged Community. These States are traditionally close to us and our ties with them are exceptionally strong. They should not be penalised for having preferred to retain their neutral status. Europe needs neutral States. They fulfil an original function in that they act as a connecting link between Eastern and Western Europe.

For that reason the enlarged Community must arrive at specific and favourable arrangements with them, guaranteeing a satisfactory balance of the interests at stake.

The links created between these neutral countries and certain candidates for the Common Market (EFTA, Nordic Council, Nordic Labour Market etc.) should not be broken because of the enlargement of the Community.

The development of relations with the countries of Eastern Europe is as necessary as ever. Progress on the common trade policy is particularly desirable in this sphere. The improvement of economic relations and the growth of trade should contribute to the development of the economy of the East European countries and consolidate détente in the hope that, in the near future, the "cold peace" will give way to peace based on confidence. The recognition, by the communist countries, of the Community as a permanent economic and political reality on the international scene will be the sure sign of such a development. Relations between COMECON and an enlarged Community could be profitable for both sides.

It is not inconceivable that the European Security Conference advocated by many countries may one day be matched by a European conference on economic relations.

Stable relations between the enlarged Community and the United States are vitally important. The two main trade partners, which will also be the two foremost economic powers in the world, have a fundamental responsibility in the development of international economic relations. They must consequently work tirelessly to overcome first such difficulties as may occasionally arise in the different sectors and then reach an agreement on their long-term policies and options. This harmonisation of attitudes can obviously be achieved only through permanent and institutionalised consultation both between the governments and between the parliamentarians.

Recent events have revealed a change of climate: polemics now seem outdated. American support for the efforts towards European integration is assured and the dialogue now beginning seems to be one between equal partners.

Together with Japan, Canada, Australia, the Union of South Africa and other important trade partners, the enlarged Community will have to persevere in its endeavour to promote free economic relations throughout the world. A progressive and

broadly based liberalisation of trade is a fundamental contribution to peace between nations.

There too, it will be increasingly necessary not to be content simply with trade agreements but to reach real international economic agreements.

In order to safeguard the supplies of energy and raw materials necessary for its industrial development, the Community will have to work out a comprehensive strategy to save it from depending too heavily on specific sources.

In the international monetary and financial field, the responsibilities devolving on the enlarged Community will be as clear as they are important. It will have to erect barriers against the influx of undesirable reserve currencies and take precautions with respect to the Eurodollar market. The drawing up of Community measures should enable it to increase the margin for manœuvre in its economic policy.

The joint management of exchange reserves, the setting up of a European reserve fund, the progressive abandonment of the role of the pound sterling as a reserve currency, the gradual reduction of daily fluctuation margins for exchange rates between the currencies of the member States and, lastly, the creation of a European monetary unit should help to create "an individualised and organised economic and monetary system". Meanwhile, a first sign of solidarity is apparent in short-term monetary support and medium-term financial assistance. Lastly, an enlarged Community, which will be a new pole of monetary equilibrium, must be clear-sighted and courageous enough to refuse to accept, in its turn, the dangerous role of holder of a new reserve currency with all the facilities and injustices that that can imply, particularly with respect to the third world.

Our two Assemblies paid particular attention to the "future of European unification and action by Europe for a policy to benefit the developing countries" at their Joint Meeting last September.

The reports presented by MM. Amrehn, Vedovato, Triboulet, Bersani and Westerterp gave rise to a debate packed with substance.

It should be recalled that, for the present Community, world co-operation and regional co-operation in assistance for developing countries are in no way mutually exclusive but are, on the contrary, complementary.

Thus the Community will be the first to introduce the system of generalised preferences for finished and semi-finished products from developing countries. But at the same time it is concerned about the unfavourable consequences which might result for the developing countries associated with it, and is seeking to prevent such consequences.

By means of the second Yaoundé Convention and the Arusha Convention, the Community improved marketing possibilities for the products of the AASM (Associated African States and Madagascar) and launched the process of industrialisation of the African States.

The association policy is tending to go beyond the tariff aspect and to assume an economic bias. It will be pursued as long as it answers the wishes of the associated States themselves, and extended to all those States which are in a similar situation and would like to establish links with the Community.

In addition to these association agreements, the Community must intensify its participation in the world food aid programme, the organisation of international markets for individual products and the stabilisation of world prices for basic commodities.

By means of a series of association and preferential agreements, the Community has shown its interest in all the countries in the Mediterranean area. Clearly all these relations must be strengthened and, above all, co-ordinated. The European Parliament dwelt at length on this subject when discussing Mr. Rossi's

report. With respect to trade, it advocates a policy for individual products and not only for individual countries, recommends a development aid policy, based on a long-term commitment by the Community, and hopes for increased concertation between the Community and the Mediterranean countries.

In the Buenos Aires Declaration the Latin-American States clearly showed their intention of developing trade and relations between the Community and the South American Continent. The enlarged Community must respond favourably to that initiative and enter into precise commitments, particularly with regard to trade, the financing of development aid, and science and technology.

It will be seen from this survey of foreign policy problems that, in anticipation of the enlargement of the Community, the Europe of the Six is strengthening itself as an individualised and organised political and economic entity, that it is seeking to escape the influence of other States and economic forces, that it desires to shoulder its European and world responsibilities and, in particular, to honour its commitments towards developing countries, especially the associated States. It is also becoming clear that in the world of the seventies the Community can no longer confine itself to pooling merely the economic and diplomatic procedures of the past. In the Community, the member States have already created jointly a set of new powers in sectors which were formerly "reserved". There has been no transfer of power but a change of dimension.

The Community is the new dimension of the European States. It is the Europeans' "new frontier".

But this enterprise calls for the drawing up of a comprehensive strategy for Community development.

That strategy requires a clear doctrine enabling political action to be taken (and that is an act of faith).

Then it requires a determined and coherent policy (and that is an act of will). The enlarged Community cannot be merely an aggregate of political wills: it must be the expression of a new political agreement, capable of producing truly European policies.

Lastly, it requires a method, the Community method with its men and its institutions (and that is an act of discipline).

Although it is generally better to define policies before creating the institutions, it is nonetheless true that some institutions favour the elaboration of a common policy and the rigorous implementation of that policy. In the Common Market the Community institutions represent and defend the Community's "objective interests".

Two priority aims emerge from that comprehensive strategy: the Community needs a decision-making centre, and it needs to institutionalise the dialogue with its partners.

The European Parliament's role, in this connection, is particularly clear, since it is through its debates and meetings with outside partners that it is called upon to influence the decisions of the executives, European public opinion and the public opinion of our partners. (*Applause.*)

The Chairman (*G*). — Thank you Mr. de la Malène.

I call Mr. Malfatti, President of the Commission of the European Communities.

Mr. Malfatti, *President of the Commission of the European Communities* (*I*). — Mr. Chairman, Ladies and Gentlemen, the excellent reports introducing this debate illustrate Europe's character at this stage in that they refer to the questions that Europe will have to answer rather than to certitudes already acquired. It is indeed a fact that Europe and the Communities are living through a time of upheaval. Our continent is being forced by

events to move from the spectator's to the actor's role. In this context, today's meeting assumes a significance that goes beyond the basic theme of this debate. This is borne out if we consider what a privilege it is to be able to discuss, in this European setting, a subject such as that which appears on today's agenda. It is a privilege because it is rare for history to bring us face to face with problems with implications as far-reaching as those of the function of an enlarged Community in the European context. This, above all, is why today's meeting cannot and will not serve merely for an abstract exchange of views, but for a valuable confirmation enabling us to take stock together in the light of the action that each one of us will be able to perform in the exercise of his functions.

The Community is the outcome of a series of attempts to fit Europe to today's world-wide scale of international relations. The precariousness of a European balance based on rigidly national centres of power has thus given way to increasingly pronounced links of interdependence and interpenetration.

Enlargement is the natural outcome for this dynamic process. Since it will bring in those countries of Western Europe that declined to take part in the ambitious scheme launched by the Six, enlargement is also an expression of the success of the scheme itself. Or rather, this success, by leading to enlargement, itself contains the conditions for a new impetus in Community growth. By taking in Great Britain, Denmark, Ireland and Norway, the Community will acquire the crucial force needed to return with fresh energy to the building of Europe.

In order to seize the full potential of this opportunity, Europe should stop depending on outworn patterns, including the idea that there is a clear-cut distinction between economics and politics. In reality, the borderline between the two is growing fainter and tending to disappear altogether. Even foreign policy and defence policy are becoming increasingly dependent on decisions in the field of industrial and technological policy, for instance, in the field of foreign trade and assistance to developing countries, as well

as on energy policies. Increasingly evident, also, are the limitations of the national framework in solving the basic problems of our countries. Whether we need to ensure a high growth rate under stable conditions, to be active participants in the international monetary system, or to make the most of the many opportunities stemming from the creation of a single enlarged market, it is increasingly true that this can be achieved only by taking the process of economic interpenetration between member countries of the Community to its ultimate conclusion. We need to establish suitable budgetary, economic, fiscal, financial and monetary policies which claim to be not only national but Community-wide in their thinking and application. The limitations of the customs union are now clearly to be seen, and traditional techniques are not enough to ensure optimum operation of what we have created. The process of development therefore needs to be taken much further. We must be able to check, day by day, whether—to use the words of President Pompidou—"The nations of Europe are really determined to work together to achieve genuine unity, first in the economic field and then, gradually, in other fields, without exception".

This process does not concern only the economically advanced democratic countries of Western Europe, since the gradual union of these countries is full of significance for world politics. We thus have two paths along which we may go. We may decline to acknowledge our own weight and responsibilities, drawing back within narrow national limits, and regarding the Community at most as a mere tool for increasing our trade; or alternatively, we may choose the path of political courage and set ourselves the aim of exploiting politically the full potential of an enlarged Community.

The times in which we live and the originality of the Community process challenge us to seek—on a larger than national scale—a positive, democratic and forward-looking response to the tensions, anxieties and contradictions inherent in our highly industrialised or post-industrial societies. From the commercial

and economic strength we have achieved together stems the obligation to use this strength for the progress and peace of the world. The political aims of the Treaty of Rome are not confined to an institutional problem to be solved; they mark the way to make our actions more consistent, unified and far-sighted, and to enable us to create a Europe of security and peace, progress and justice, development and stability. A choice of this kind is not out of reach. The British leaders have already said many times, in the course of negotiations for entry, that Great Britain is prepared to go as far as existing Members of the Community are prepared to go. The Community whose enlargement is being negotiated today has decided to transform itself within a decade into an economic and monetary union. It is thus not a static Community stuck in the routine of an unfinished process. No, it is a forward-looking Community, evolving and ever gaining in strength. Obviously, the transformation, strengthening and enlargement of the Community means solving some highly technical problems. But the nature of these problems remains political. It is a broad political scheme that is needed to bind these problems together, to discover the links between them and to highlight the interdependence of the various issues. This, too, shows the academic nature of distinctions between the so-called political-institutional approach and the so-called functional approach to the crucial problem of building Europe. Just as it is purely academic to hold that the pace at which Europe is built can be measured daily by conjectures of European constituent assemblies, so it is wrong to believe that the days of Europe can be merely a succession of discussions and decisions about disconnected technical and economic problems, without any clear overall vision to guide us. The course that fits the objective reality of what we have already become and what we are about to achieve is to urge the strengthening of our general political vision and the search for solutions to current problems by means of an overall political strategy enabling us to put what we have achieved to the best possible use. Only by transforming and strengthening the Community and by a forward-looking policy on external relations can we consider the future not as something predestined or accidental but as the fruit and outcome of our own coherent efforts. Without general political vision there is no future in the building of Europe.

We must also refute the argument that there was a clear vision at the outset, but that this has now been superseded by the changing world situation. There is no place for a Europe of nostalgia; we must work for a Europe of initiative. This is true today as it was yesterday. Chancellor Brandt has written: "European policy has sometimes been defensive, narrow and even negative. But", he goes on, "the cold war as it was once seen has given way to new relationships. There are still serious conflicts that cannot be overcome by illusion. But neither can they be overcome by staying imprisoned in an outdated vision of the various problems. We must be capable of thinking beyond today and seeing the tasks ahead."

This is why the process of European unification finds confirmation in the changing world, and is itself an important factor in this transformation. If we work to achieve ever stronger unity between those countries of Europe that today share the greatest similarities in a regime of freedom, in political strategy and in stages of economic development, this does not mean that we are against the prospect of détente, of new and better relationships between East and West, and of strengthened and revived relationships within NATO and especially with the United States. To those who accuse the Europe of the Six of being a Europe of discrimination and cold war, it is easy to reply that it was this same Europe that enabled progress to be made towards détente and it was this same Europe that prevented the creation of a power vacuum, incompatible with an improving international order; and it was this same Europe that increased our capacity for commercial, economic and technical collaboration with the outside world; it was this same Europe that turned its back, once and for all, on the blood-stained age of aggressive nationalism; it was this same Europe that introduced a new element into the world situation without jeopardising the balance of power and the loyalty to alliances which are the basis for our mutual security, and without denying the positive functions and specific roles of those European countries that remain neutral or non-aligned.

Thus the building of Europe, which some consider a thing of the past, is in fact reinforced daily and may become one of

the crucial factors in the future of the world. It is in this context that enlargement of the Community may change the face of Europe. And we should here consider the real nature of our Community, which is an outward-looking Community, committed to the reinforcement of world trade and vitally interested in the future of the developing countries. This our attitude, our nature and our choice of an outward-looking Community is demonstrated not only by the fact that we are on the way to concluding negotiations for enlargement but also by our readiness to discuss with other trade partners in order to strengthen international trade at world level. Our consideration and responsiveness in our relations with the developing countries are demonstrated, finally, by the decision that we have been first to take among the industrialised countries of the world, the decision to apply from 1 July a generalised preferential system in favour of the developing countries.

One of the foremost responsibilities of the Community is to establish new relations with the EFTA countries that have not applied for membership. Now that the exploratory talks with each of these countries have been concluded, the Commission, of which I have the honour to be President, is committed to help in the search for concrete solutions. Before the month is out we shall be presenting our proposals to the Council and therefore, for obvious reasons, I cannot make any advance statements today. This problem does not concern only the Six, but must be discussed, by means of some suitable procedure still to be established, with the countries that have applied for membership. I am confident that we shall arrive at a solution that is satisfactory for all, even if the problem is more complex than it may appear at first sight.

It is obvious that the role of the enlarged Community will have to grow in the Mediterranean, where all European countries have a specific interest in stability and détente.

Many Mediterranean countries are already asking the Europe of the Communities to make a concrete effort to help relieve the tensions in the area.

The trade agreements and agreements on association between the Community and certain Mediterranean countries are only a first step in this direction. These agreements, far from being our destination, mark the beginning of a new chapter which must lead on to the development of far more incisive tools, expressing the Community's will to give its relations with these countries a political spirit.

The Community which is now being enlarged must define its relations with countries of Eastern Europe. We must convince the countries of the East of what they themselves stand to gain from an increasingly thorough-going Community of Ten.

The new climate in Europe in the 1960s stems from the intensification of economic and trade relationships, and the Community, as a driving force behind trade expansion, has played an important part. The 1970s should mark the stabilisation of this climate, combining growth in trade and economic exchanges with new forms of co-operation in matters of common interest.

The Community's commitment to establish fully a common trade policy by 1 January 1973 serves to underline the fact that the active presence of the Community is now a precondition for any atmosphere of inter-European co-operation. This is confirmed by the objectives inherent in the strengthening of the Community and the new balance created by enlargement.

The little Europe of the Six, in becoming the great Europe of the Ten, is acquiring the stature and weight it needs if it is to play its full part in European and world affairs. As Mr. Heath has said, it is not just a matter of patching up the worn tissue of our continent or wiping out the old rivalries that have led to so many disasters in the past. We all have world-wide interests, and one of our common aims is the expansion and not the contraction of these interests.

This brings us back, Mr. Chairman, Ladies and Gentlemen, to the alternatives I mentioned at the beginning of my speech.

The Community is today going through a period in which the doubts outweigh the certainties; the changing situation makes it vital to clear up these doubts. If we fail to settle them by our own free will and action, they will be settled for us by the stark force of events which has its own destructive logic. The challenge before us today is thus basically very simple. An enlarged Community could give Europe a role to match its aspirations, its stature and its interests; but mere possibility is not enough; what we need is to exercise our will and to act accordingly.
(*Applause.*)

The Chairman (*G*). — Thank you Mr. Malfatti.

We shall now suspend the Sitting and resume at 3 p.m.

The Sitting is suspended.

(*The Sitting was suspended at 12.45 p.m. and resumed at 3 p.m.*)

IN THE CHAIR: Mr. REVERDIN

President of the Consultative Assembly of the Council of Europe

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

The exchange of views between the members of the European Parliament and of the Consultative Assembly of the Council of Europe continues.

I call Mr. Cantalupo.

Mr. Cantalupo (*I*). — Mr. Chairman, Ladies and Gentlemen, I think that Mr. Malfatti gave us this morning, in a very responsible tone, a sense of the significance of the matters we are

discussing here today. The news from Luxembourg this morning about the meeting between the representatives of our different governments and the representatives of the British Government is encouraging. Another step forward has been made towards British entry into EEC, and this at once broadens not only the economic horizon, but also the political scope of the duty that we are taking, consciously, I hope, upon ourselves. The European Parliament must undertake specific responsibilities, because, for one reason, we rightly demand—as did the representative of the British Parliament this morning—increased parliamentary control over the progress of the general policy of enlargement of the Community. But if we wish to increase our powers of control, we must begin by exercising these powers. The less the European Parliament is endowed with statutory powers the more it must exercise its moral authority. It must, of its own accord, make up with its own authority for the lack of formal means for effective control.

Ladies and Gentlemen, Mr. Malfatti repeated this morning a question he asked this Assembly in Luxembourg two weeks ago: "Does Europe really mean to be Europe?" We must ask ourselves today not only whether we really want Europe, but whether we want a broader and more powerful Europe than the one we have succeeded in building so far. For the negotiations with Britain, which have been encouraging up to yesterday evening—which we hope will become even more so as they progress—so open up the prospects before us that we may soon be overtaken by greater responsibilities even before we are ready to shoulder them. We must make an effort and a spurt to make ourselves worthy of the functions soon to be assigned us. The entry of Great Britain will give us a political platform at world level. Mr. Giraudo and the other three Rapporteurs were as one in highlighting this turning point, this sudden change in the quality of the Community's life. Our powers are proliferating, and we must ascertain whether our structures are adequate to cope with the increase in political power that is, I would say, about to thrust itself upon us.

This problem does not concern only the relations between present and future Members of the Community, but above all the

relationships already looming on the horizon between an enlarged Community of Ten, and later, we hope, of an even larger number of Members, and the States which will probably stay outside the Community for many years to come and perhaps for ever.

The Community is developing virtually by geometrical rather than arithmetical progression. These Joint Meetings are designed to define the scope of this progression. We should rather have had this debate after British entry into the Community. However, in holding it today, on the threshold of this great event, we are spurred on to search our consciences and acknowledge our responsibilities, as is our duty. We must indeed ask ourselves whether we are ready and able to shoulder all the responsibilities that British entry will place upon the Six existing Members of the Community.

This soul-searching is something that had to be done in some form or other. Today is only a beginning, but we hope that the operation will be continued at forthcoming sittings, where I hope the atmosphere will be warmer than it is today, in order that we may really move on towards new dimensions for which new machinery must be prepared. We must go into the matter in greater depth. It is not enough to demand greater statutory powers for the European Parliament; we can take these greater powers for ourselves if we are able to perform our duties, even if the formal machinery is not yet complete. We must thus recognise that British entry raises three problems, two directly and one fairly directly. The first concerns our relations with the countries that will be joining at the same time as Britain; the second concerns those countries whose entry will depend upon whether our political approach will be flexible enough to enable them to associate in a different form from Ireland and Denmark. We must bear in mind those EFTA countries which cannot enter on the same terms because their constitutional structures or the international nature of their foreign policy prevent them from acting completely independently, because of the neutralisation of some, such as Austria, and the neutrality of others, such as Switzerland.

We then have the problem of relations with the Mediterranean countries; this problem has now been clearly expressed in talks between Members of the Community. Finally, we have the problem of relations with the countries of Eastern Europe, with what is called the Soviet or Socialist world.

British entry will open up whole new horizons on these problems not immediately but in the very near future. It is thus right and necessary that the European Parliament should, from today, come to grips with these great issues and begin to make some reply, not an immediate reply, but at least the beginnings. Because the Community's trade policy is acquiring increasingly political implications, we must raise the issue in political terms.

I am speaking, Mr. Chairman, on behalf of the Liberal Group in the European Parliament and the Liberal Group of the Council of Europe, which decided, at a joint meeting this morning, to express their views with one voice; it is my honour to have been charged with this task. I should like to state at once, on behalf of the two Liberal Groups, which are in full agreement with each other, that we are aware of the tasks ahead. Our point of view on the first problem is as follows: As regards those countries that will almost certainly follow Britain into the Common Market —countries of northern Europe—we feel that there are several problems to be solved, mainly economic and technical, i.e. practical problems, whereas with the countries that will probably join the Common Market at a later stage—if ever—the problems to be solved are political. We must thus adopt two positions. The first, to be implemented immediately, is to make every effort to ensure that the countries which are now linked with Britain in purely economic terms but which retain their full freedom as independent States may join the Common Market with the certainty that they will suffer no economic losses. The Community will certainly not ensure this. We shall thus be faced with complex, important and difficult negotiations, but negotiations that can be speedily concluded because they do not entail any political aspects likely to hinder a successful conclusion.

As regards the other countries, such as Austria, Switzerland and Sweden, highly serious problems of politics and international law are involved. These are neutral countries and their neutrality, if it does not limit their sovereignity, nevertheless requires them to maintain a certain flexibility in international relations. For these countries it is not a matter of finding the political will, but of seeing how far we wish their participation to go.

With respect to this second group of countries, we, as the Liberal Group, call for the adoption of a very flexible attitude from the start, because we feel that we should not, under any circumstances, shut the door on the possible accession of these countries. They cannot join today because their neutrality—or neutralisation—denies them the freedom to do so; but tomorrow, given a change in political conditions in Europe, they might be at full liberty to do so. We must prevent the emergence of obstacles that might prove insuperable in the future; to create such obstacles would be to fail in one of our main *raisons d'être,* which is the liberal expansion of the full potential of the Common Market. And our failure would be all the more serious because these countries, even if restricted by a neutral status laid down in their constitutions, are all countries with deeply rooted democratic systems, so that there would be no ideological or philosophical objection to their accession.

For these countries, we must at all events establish economic conditions which would enable them to join tomorrow if they wished. We must broaden our horizons as far as possible and make sure that we ourselves raise no obstacles to the widest possible expansion of the Community.

There is another problem in connection with the Mediterranean countries. In this case, I am happy to remind the representatives here that only four months ago, in the matter of relations between the member countries of the Community and all the Mediterranean countries, especially those of North Africa and the Middle East, we were all agreed in the European Parliament on the need for the Western States in the Community to find a way of harmonising as far as possible their various policies

with respect to the Mediterranean countries, especially the recently independent ones. A resolution of major importance was adopted unanimously and met with an encouraging response from the countries we represent and from our governments; we have now learned that just one month ago the last session of the Council of Ministers in Brussels considered the need to harmonise as far as possible the Mediterranean policies of Community member States, and decided that next autumn a direct, a practical start would be made with measures to harmonise our countries' policies with respect to all the Mediterranean countries.

I hope that this meeting today will give birth to a still stronger wish to achieve a common Mediterranean policy, bearing in mind that the European Parliament decided here, two months ago —and none of our governments opposed this demand; indeed, they all welcomed it—to embrace in this Mediterranean policy countries such as Germany and the Netherlands, even though they have no immediate, direct geographical interest in the Mediterranean, because their membership of the European Economic Community, which has a general interest in the Mediterranean, means that these countries, too, have an interest to justify common or joint action in the Mediterranean.

Ladies and Gentlemen, I believe that the events of a few days ago in Egypt and the extraordinary speed and incomparable zeal with which Russia has followed up the spectacular rashness of certain Egyptian political circles, re-establishing its own military power in Egypt through an agreement directly associating Egypt in the defence of the socialist world—a step not previously taken in any other Mediterranean country—demonstrates the need and the urgency for a common Mediterranean policy by the Western Mediterranean countries, for without such a policy, new factors and new obstacles will emerge and some doors hitherto still open to us will very soon be closed.

The case of Egypt demonstrates a threat and a danger; it demonstrates Russia's ability to act very fast in turning certain at first sight negative situations to its own advantage and to the sole benefit of its own strategic power.

Our situation in the Mediterranean today is far more difficult than it was a month ago. At the forthcoming meetings of the Council of Ministers in Brussels, this will lend force to their decision to consider in the autumn the need to establish a common diplomatic and economic policy for the Common Market countries with respect to the recently independent Mediterranean countries. This is our second recommendation, because there can be no doubt that if our Foreign Ministers have recognised the need for this undertaking, it means that what this Parliament had to say four months ago was realistic and had the force, the interest and the influence to arouse the awareness of the six governments. This shows that in certain major political issues the European Parliament, even if it has not been endowed with statutory powers of control, nevertheless enjoys sufficient moral and political authority to be able to direct governments towards the Community's common interests.

Our third point, Mr. Chairman, Ladies and Gentlemen, concerns the relations between EEC and Eastern Europe.

Is there anything new here? In theory there certainly is. The Lisbon Conference was no trifling incident; it would be so only if we failed to follow it up. But the statements made at Lisbon by almost all NATO member States are rapidly gaining the ability to go their own separate ways, and we must hope that they are sufficiently in tune with reality to achieve at least some practical realisation. We should remember that the general idea of establishing relations between Western Europe and the Soviet sphere is not a new one. We had a long way to go at the outset from an entirely negative situation, because the communist bloc has always declared relentless war on the Community, hoping for its destruction and elimination, always seeking to negotiate with individual member States but never with the Community as a whole. However, with the institution of the Federal Republic's *Ostpolitik* towards Russia, the problem, theoretically at least, was expressed in terms which made a considerable impact in this Parliament, especially when the Minister for Foreign Affairs,

Dr. Scheel, came here to give us a very valuable account of Germany's talks with Russia. Germany raised the problem of the Common Market in very clear terms in the course of its talks with the countries of Eastern Europe. In other words, Germany negotiated as a member State of the Community and never once played down its membership, which constitutes its true credential for negotiation with the countries of Eastern Europe. It is not a matter of securing Russian recognition of the Economic Community, but of finding out whether, de facto—if not de jure—the communist countries singly or, better still, jointly are prepared to negotiate with the Community on economic matters. The new situation created by British entry may also have repercussions here. It is my personal view, though I may be mistaken, that the evident and, so far, formal change in Russia's language with respect to the Community is a direct result partly of Federal Germany's *Ostpolitik* and partly of British entry, which means that Russia must abandon all hope of the EEC's collapse. Russia was aware of this at once, and realised that to continue under these circumstances as the main opponent of the Community would be negative and fruitless, and would be out of keeping with the general scheme of Russian relations with the West. The problem, then, will reappear. It was discussed at Lisbon. In Mr. Giraudo's report there are hints and suggestions—we cannot call them proposals—as to where talks with the USSR might be begun. Mr. Giraudo thinks that this might be in the United Nations Economic Commission for Europe in Geneva, where the UN virtually becomes European, at least to some extent, and maintains contacts with European States outside the UN Assembly in New York. Alternatively, Mr. Giraudo suggests GATT as a possible setting. I think we should be quite clear in our own minds here. We Liberals held an exhaustive discussion on this problem this morning and agreed on the following principle: de jure and de facto recognition of the Community by the USSR must be the *conditio sine qua non* for any development of our relations. There can be no ambivalence on this point. It is our profound conviction that Federal Germany has not compromised this concept in any way, but rather confirmed it, explicitly and radically, so that we now steadfastly abide by this principle.

I must now ask a question on behalf of the Liberals. Are we all, and are all our governments in Western Europe, convinced that we must act in agreement on this point, or is there any government that believes in following its own course? There are, perhaps, European governments that feel they may go it alone, regardless of the Economic Community; I am thinking of the doubts rightly underlined by Mr. Malfatti this morning. We owe him a debt of gratitude for this self-criticism, in which we are in a way engaging here along with him. Do we not feel some anxiety lest one of the six governments should embark upon independent action in this most sensitive field, thus jeopardising the interests of all the others?

Inherent in the question "Does Europe really mean to be Europe?" is a highly specific question with regard to the Soviet bloc: do we all want to be Western Europeans or do we wish to go every one his own way, weakening the others in the process? If this is how matters stand, it is obvious that there can be no possibility of any serious progress in negotiations between the Community and the Soviet bloc.

I must raise one more crucial point on behalf of my Liberal friends: if there were to be negotiations—this problem has been raised at Lisbon and the European Parliament cannot ignore it—such negotiations must proceed in such a way that they do not diminish but rather increase the individuality, sovereignty, independence and freedom of the individual States of the communist bloc. If Russia were to negotiate on behalf of all the communist countries, we should have failed the liberal purpose of this Parliament and its liberal *raison d'être,* because we should thus have facilitated the direct enslavement of some of these States to Russia. To put it more clearly, we must repeat what we have already said whenever this matter is discussed: that such negotiations, if they are to be conducted in accordance with the liberal ideology on which the Common Market is based and to which it owes its origins and future, must progress in such a way as to give gradual freedom to the countries of the communist bloc, which should negotiate singly with the Common Market as a

unit. Otherwise we shall have indirectly and involuntarily acted in solidarity with Russia, cutting down the freedom of what are today called the satellite States.

This course entails considerable flexibility in our thinking and diplomacy. These are very difficult, long-term operations. But the leaders of our governments and the leaders of the European movement in general, the Commission of the European Communities, have demonstrated their ability to act flexibly, and we are therefore sure that our moral authority would be enhanced if matters were stated frankly, without ambiguity, from the start.

In this connection we as Liberals would say to the European Parliament that, for its part, no principle must be compromised by lack of caution, but the overall solidarity of the Western countries in showing a single face to the Soviet world must remain fully effective; if not, attempts by some State or other to turn aside from the common path, or desertion by certain political forces, would diminish our authority, unity and strength, and Russia would regain the hope of seeing us disunited and divided, undermining the Common Market indirectly from outside before entering into negotiations with it. If there is any time that we may act in this way, it is the time when British entry will undoubtedly strengthen our authority and give us the political prestige that we have long coveted and are now on the point of winning.

Thus everything is in a way bound up with the problem of a single, overall approach, and Mr. Malfatti was quite right this morning in highlighting this overall view of our policy, whereby no problem is purely technical but all are problems of general policy. In conclusion, I can only reaffirm that we must march on of one accord, because, from now on, any division would be fatal and would jeopardise all our positive achievements so far. This political will may prove to have the strongest constructive force that Europe has seen for the past fifteen years.

We must step up our solidarity and unity, obeying implicitly but enthusiastically the historical dictates of the Common Market.

Economic unity is only a preliminary and a stage in the development of political unity; without this political unity, our achievements of recent years will always be at risk. The link between economic unity and monetary unity, i.e. the harmonious development of our economies, the greatest possible equalisation of social standards in the countries of the Community, the elimination of pockets of poverty, discrepancies and vulnerable points, open to attack by foreign competition and internal deviation, all these tasks must be brought together within an overall perspective which holds good not only inside the Community to foster a climate of unity between member States, but also outside, in order that we may show not merely a single face but a solid body, united and effective, which will at last entitle us to uphold once again our mighty ambition, for it is indeed a mighty ambition to represent the world's third economic power.

Either we will earn this right, with political unity, or we will lose, together with our political freedom should this prove wanting, the very fruit of economic unity which we are now so painfully achieving. (*Applause.*)

The Chairman (*F*). — The situation at present is that fourteen more speakers are on the list. May I ask each of you to try and be brief? I know that this kind of exhortation seldom has any effect, but if you wish to finish by 7 o'clock some speakers will have to make an effort to be concise.

I call Lord Gladwyn.

Lord Gladwyn. — Mr. Chairman, if the new Community of the Ten—that is to say, the European Economic Community plus the four candidates—comes into existence fairly soon, it will clearly have to have some kind of special relationship with five Northern European industrialised and neutral States and with six Southern European developing States. Association with the first of these groups will no doubt take the form of some kind of free trade area, if the Russians should allow this in the case of Finland and Austria, which unfortunately is perhaps doubtful.

With the second group, the association will presumably take the form of specially negotiated relationships permitting some increase in goods and services. But in neither case should such associated countries, though they might well, I suppose, be represented in this Parliament of Europe, though without a right to vote, be permitted to take part in any decision-making process, for if this were permitted the entire possibility of creating a thing in itself, rather than a collection of things, would presumably disappear. Should the Ten make unexpectedly rapid progress towards a monetary union, which they would naturally not be able to do so long as the unanimity rule prevails, the five countries of the Northern group to which I have referred will, however, be faced with the sheer necessity of actually joining the Ten, unless they are physically prevented from doing so.

How could Norway, for example, be a member of a monetary union and Sweden not a member? But, if the members of the Northern group do join the Community of Ten, they will presumably have to abandon their neutrality. Obviously, the Six of the Southern group cannot form part of a monetary union, as they are not even able to accept free trade exchanges with the Common Market.

It looks, therefore, as if in a few years' time the Ten, if they come into being, will be joined by Sweden, even if she does not join at once, and subsequently, perhaps, by Switzerland. But we can hardly count on Austria's and Finland's joining the extending European Economic Community for so long as East-West relations are anything like what they are at present. I daresay Iceland may elect to remain outside the Community, but that is for Icelanders to say.

The Southern group of States, apart from not being able to stand the competition of industrialised States, will also be unable to join the expanded EEC unless they have democratic regimes; and, as we know, at the moment three or four are not so qualified. So we may perhaps assume that for practical purposes, and indeed for what one might call the foreseeable future, "Europe" will be

constructed out of the expanded Community of the Ten, or perhaps of the Eleven, in various kinds of association with ten or eleven other European States.

With the European States to the East—which, of course, do not include Russia, in spite of some people saying that they do—the relations of the new "Europe" will, we hope, be increasingly good; I think they probably will be good. But it cannot be denied that the new Europe, if it comes into being, will have been formed in spite of all the efforts of the Soviet Government to prevent its formation and that consequently, for a time at least, it will be unlikely that any kind of integration with the States of Eastern Europe will be possible, or even any real economic, not to speak of course of any political, association.

Unless we contemplate the disappearance or grave weakening of the Western Alliance, this picture, therefore, realistically considered, is the position which we have to contemplate by, say, the end of the present decade—by about 1980. In other words, it will come down to an inner "core" of eleven or twelve States, all increasingly integrated economically, and it is to be hoped politically, and what one might call an outer "rind" of nine or ten States in some kind of special relationship with it.

With this in mind, how should we then best proceed to organise our extended Community? Clearly, we shall not be able to organise it at all as a thing in itself, as opposed to an alliance, or even as a confederation of totally independent sovereign States, unless we all agree on at least some limitation on our individual freedom of action.

If the recent apparent agreement between the Prime Minister of Britain, Mr. Edward Heath, and the President of France, Mr. Pompidou, is to be taken literally—I repeat, if it is to be taken literally—the prospects of such agreement are, at the moment, dim. For if France and Britain announce in advance that the enlarged Community will, in the last resort, rest on the principle of unanimity rather than on that of qualified majority

voting, with little or no emphasis on the role of the Commission and hardly any mention of increased powers for the Parliament of Europe, it is evident that no progress can be made towards an economic, to say nothing of a monetary, union.

But, Mr. Chairman, it is also evident that the simple extension of the European Economic Community from six to ten and eventually, no doubt, to more States, will in itself oblige Members, if only to avoid constant and recurring crises, with an imminent danger of a collapse of the whole machine, to adopt techniques transcending the unanimity rule even on decisions affecting so-called "vital interests", and, indeed, to increase the power of the European Parliament which at that point, of course, will obviously have to be directly elected. It would be simple to effect such a reform as this. All that would be necessary would be a declaration by some future governments in Britain and France that they had actually decided to abide by the terms of the Treaty which both had signed and which henceforward they intended to respect!

There will be new elections in France and Britain in 1973 and 1974—probably in 1974 in Britain—and we must hope and believe that by that time experience in working an enlarged Community will have resulted in a determination to take the plunge and to establish some genuine authority, even if only in certain narrowly delimited spheres. And perhaps it may be said that in the absence of such a decision it will not be possible to make much progress, or indeed any progress, in the campaign against pollution, or in favour of "participation", or indeed, in any direction likely to enlist the sympathies of the young generation to which Mr. Frydenlund in his report so rightly pays such great attention.

There remain foreign policy and defence. Here we must surely all admit that, unless an extended Community can shortly devise new means of steamlining its various national policies, it may well be in grave danger in the years immediately ahead. Nobody can count on a real détente, I am afraid, and if the

Americans should indeed withdraw the bulk of their Forces from Europe, the Soviet Union, pursuing disruptive tactics, playing off one Member of the Community against another, is likely, I am afraid, to have the ball at its feet—unless, that is, the extended Community can rationalise and standardise its forces and invent the right means of co-ordinating its foreign policy as well. There is no time now to elaborate on how this can be done, but I should hope that there would be not too great opposition in this Joint Meeting of our two Assemblies to some general conception whereby an extended Western European Union should become, as it were, the political and defence wing of an extended European Economic Community—the membership after all being the same —and that the Assembly of Western European Union should eventually be merged with the Parliament of Europe, and that an independent Political Commission should be established to assist the Ministers in the whole field of foreign policy and defence. These are not even "supranational" proposals—none of the things I mentioned is supranational at all—and we can surely hope that they will at least be seriously considered when and if the main decisions are taken as regards the enlargement of the Communities.

In the meantime I am sure that all members, or potential members, of what will probably in some eighteen months' time be a European Parliament of ten or eleven nations, will make it absolutely clear in their own national parliaments that only an adherence to the sense of the Treaty of Rome will enable an enlarged Community to develop as a Community or, indeed, to function at all in the years to come. (*Applause.*)

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

Mr. Scelba (*I*). — Mr. Chairman, Ladies and Gentlemen, I think enlargement would lose much of its force if the Community were to remain too rigid on matters now within its province. This might lead to an increase in existing difficulties and a failure to settle the major problems still outstanding.

We who for years have supported the enlargement of the Community, and especially the entry of the United Kingdom, have always held that British membership should give the Community the strength or the added strength it needs for more resolutely political progress.

At the Conference in The Hague, which gave new vigour to Community policy, Heads of States and Governments reaffirmed their faith in the political aims of the Community, their determination to complete the process under way, and their confidence in its ultimate success.

The whole significance of the European Community lies in its political aims; this is not only stated in the Treaties of Rome but was solemnly declared at the Conference in The Hague, which was proposed by the President of the French Republic. The Conference declared that the progress made in the Community was irreversible in view of its achievements so far, and continued that to declare the process irreversible meant paving the way for a united Europe capable of shouldering its responsibilities in the world of tomorrow and of making a contribution commensurate with its traditions. Ladies and Gentlemen, it is the purpose of the report now under discussion to clarify this function. When we speak of the function of an enlarged Community we are not thinking of its economic relations with Finland or Sweden or with Greece and other countries. As President Pompidou has said, a solution to these technical problems will always be found, given the will to do so. If we wish to contribute to the further development of Community policy, we shall have to speak of the political function of the Community in the world, as was demonstrated at The Hague. The enlargement of the Community gives us just this opportunity. The enlarged Community, by its population, economic resources, the scale of its trade, and its cultural and political traditions, is a super-power easily able to take its place side by side with the two existing super-powers, the United States and the Soviet Union. But the giant will have little weight if it cannot lend its economic strength to the service of peace and freedom, which are the aims of the Treaties of Rome.

In order to encourage our leaders to carry on the policy of The Hague, we must seek out the reasons, which, with enlargement, justify political unity. We do not know when political unity will be achieved and we therefore do not know what the world situation will be at that time. I shall speak of political unity as if the process were set in motion today, and shall describe what Europe's role would be at this juncture. The French President has said that Europe must be given a single voice. This is not just a need for 1980, 1990 or the year 2000; it is a need today.

Of course, if we wish to give the Community a function, if we wish the Community to have a foreign policy—because this is what is involved—we cannot leave the world situation out of account. The European Community was not born on virgin land and the States which make it up are not devoid of all ties and traditions. The situation today is dominated by the fact that world events are decided more or less exclusively by the two superpowers: the United States and the Soviet Union. The European member States of the Community, which although Members of the Community have conducted independent and sometimes divergent and even contradictory foreign policies, have virtually no influence on world affairs. Some States have conducted a pro-Soviet policy, and this has not prevented the Soviet Union from strengthening its grip on the heart of Europe. Others have conducted pro-Arab or pro-Israeli policies, and this has not prevented the Soviet Union from strengthening its own position in the Mediterranean to the detriment of the member States of the Community that border on the Mediterranean and which, more than any other party, have an interest in the Mediterranean situation.

To be true to the world situation, it must be said that it is not only imperialist interests that are at stake in the conflict between the United States of America and the Soviet Union. There is also a conflict of ideologies in the face of which the European Community cannot remain indifferent or neutral, since it cannot remain indifferent or neutral when confronted with the free world and a world of political totalitarianism.

We understand that communism is not merely a system for the Soviet Union but is also for export, serving to impose a neo-colonialist regime on countries with a long history of civilisation in the heart of Europe to weaken the democratic States, or to extend the influence of the Soviet Union throughout the world.

Nor can we overlook the fact that without the United States' nuclear umbrella, the Soviet Union would not even have to make a military excursion in order to subjugate the States of Europe; the mere threat of force would be enough.

This is the world situation which cannot be overlooked if we are to steer clear of unrealistic political attitudes. I believe, however, that in spite of this situation it is possible for the Community to pursue an independent policy of its own, not directed against anyone else, and aiming at the consolidation of world peace and freedom.

The strength of a State consists merely of the material means at its disposal. A European Community of Ten would have a vast potential strength. Especially by the force of its example. It can indeed serve as an example if ten States, including the major democratic States of Europe, which alone have shaped the history of the world in the past and which over the centuries have fought against each other in cruel struggles and wars, have decided to live together in a Community and to act as one, thus eradicating any possibility of conflicts between them, such as have occurred in the past.

This is a feat which cannot fail to have repercussions in the world at large; it is an extraordinary feat for ten nations to unite in the conquest of peace. Another feat which cannot fail to have repercussions is the building of a Community by the peoples' own free will; this is the difference between the European Community and the communist community, in which a leading party imposes its political system, even with tanks.

The European Community by its very *raison d'être* and make-up cannot conduct a policy of imperialism. Since it has no military force comparable to that of other States, it has a direct interest in a policy of total disarmament; its position is thus that of a peaceful, anti-imperialist super-power urging disarmament and a policy harnessing the resources now spent on arms for the benefit of the under-developed peoples. With a policy like this, the Community can wield immense moral authority in the world and can bring in its wake all nations interested in a policy of peace and progress.

There are a number of explosive situations in the world today. What form could an independent policy by the European Community take on the world's most serious current problems? To the forefront among these problems I would put disarmament. I do not think that the European Community should follow a policy of re-armament in the sense of arming to compete with the two other super-powers. I therefore view the idea of creating a Franco-British nuclear pool within the Community with some mistrust. Indeed, I would regard it as dangerous for the Community.

The European Community should ask the nuclear powers to disarm. The European Parliament agreed to the Non-Proliferation Treaty just because it was presented as a preliminary to nuclear disarmament by these States. This is why I confess that when I hear talk of a Franco-British nuclear pool I am perplexed, because this would also put the other countries of the Community at a disadvantage.

The second theme of Community policy should be development. The European Community, with the means at its disposal, is in a position to take the lead. By achieving disarmament it could increase the means available for a development policy to benefit all countries. We know that countries that have emerged from the ruins of colonial empires are more interested in negotiating with the Community than with the ex-colonialist powers, which they regard with some mistrust. We know, too, that the

States of Latin America are more interested—they are continually making approaches—in negotiating with the Community than in negotiating with the United States of America.

The European Community can thus conduct a great, independent policy for the benefit of these States, to commit them to the struggle for peace and democracy.

What has been achieved by the policy of member States in the Mediterranean? The strengthening of the Soviet Union in the Mediterranean. What could a European Community achieve in this area? Ladies and Gentlemen, the European Community considered as a whole, like Egypt and Israel, hinges on the Mediterranean. The European Community has the utmost interest in peace in the Mediterranean. It has no military stake in either Egypt or Israel, and has an interest in seeing that no outside power intervenes with a policy aimed at limiting the independence and freedom of decision of the States bordering on the Mediterranean. I can perfectly well understand why Israel and Egypt refuse to have Soviet or United States troops, for different and opposite reasons, but there are grounds for thinking that a European Community intervening to guarantee peace between the two nations would be in a different position. This is a case in which the European Community really could conduct an independent policy directed against nobody; it would not be contrary to the Soviet Union, unless the USSR is conducting an imperialist policy, nor to the United States of America. But political tools are needed for such a policy.

Who is to conduct this policy? The present Community with the means at its disposal today? No. If we wish the Community to have a function and if the Community wishes to play a part in world events, its institutional structures must be geared to the function it is to perform.

President Pompidou has recognised that the Community needs a government, and has rightly said that a government cannot function as such unless its decisions can be made binding on member States.

The only difference between us, perhaps, is that President Pompidou envisages this for his grandchildren while we think it must be done today.

We have had a meeting between Mr. Heath and Mr. Pompidou in Paris, and the British Representative who spoke before me confirmed the rather pessimistic interpretation that has been made where institutions are concerned. Otherwise, the meeting was encouraging. The French President and the British Prime Minister stated that their views on institutional problems were identical. I do not know Mr. Heath's views on this subject, but I do know those of President Pompidou; it would thus be interesting to know whether the President of the French Republic was converted to Mr. Heath's views or vice versa.

There are grounds for concern, and we must hope that this aspect, so vital to the Community's development, will soon be cleared up. Political progress can never be achieved unless the European Community has a political will and institutions capable of expressing it.

There has been a great deal of discussion about whether this political will should be expressed unanimously or by majority voting. I have already said elsewhere that this issue has, to my mind, been over-estimated. It is obvious that in principle decisions should be made by a majority, but we know that it is a very different matter in practice. Today's problem is not how Community decisions are to be taken, but whether decisions are to be taken at Community level at all.

An example will make this clearer: the member States of the Community conduct independent foreign policies, concluding bilateral agreements. It is in the Community's interest that the policy of bilateral agreements should cease. If we wish Europe to have a voice, States must give up the practice of signing bilateral agreements, and the European Community alone should be entitled to conclude international agreements.

Once this principle has been established, I believe a considerable step forward will have been achieved. The matter of whether the Community's international policy is to be established unanimously or by majority vote is, at the present stage, of secondary importance. Some say the unanimity principle would block any political activity by the Community, but this is not true. Even after the Luxembourg agreement, when it was laid down that decisions must be made unanimously, the Community progressed, because the political will to progress was present on all sides. When there is such a will, we will always achieve those compromise solutions that are the very essence of democracy.

It is impossible to believe that France, the United Kingdom, Germany and Italy would instantly entrust decisions on matters of vital interest to an unpredictable majority on some Community body. Indeed, it is my personal feeling that such decisions would be unjustified, because they would be to the detriment of the whole Community.

This is why I feel that the unanimity issue should not be over-estimated today; what seems to me of major importance is to extend the Community's authority to all those matters that would give it a political spirit, i.e. to foreign policy and defence.

As regards defence policy, I think we could begin with a very simple matter by bringing under the European Community everything that is now within the province of WEU. Indeed, we should in general bring within the framework of the European Community all subjects now within the province of intergovernmental organisations. Up to now WEU has performed a useful function because Britain was not a Member of the European Community, and WEU was where Europe's military problems were discussed. But as soon as Britain joins the European Community, what possible justification can there be for keeping up this organisation outside the Community?

But if we really want to progress, we must try to translate into practice the decisions taken at The Hague and to give birth to institutions geared to the tasks ahead.

Only then will we have a European Community with a single voice, and only then will we have a Community able to perform a useful function in the world. The voice of ten nations, with all their traditions and moral authority, as well as their materiel strength, cannot fail to have an influence in the world at large, and we have confidence in the European Community, which does not set out to destroy our national identities. When I hear that with the unanimity rule the identity of our countries would be wiped out, I do not think much of the arguments advanced by our opponents. We do not believe that the identities of the nations of Europe are placed in jeopardy by a Community policy. Quite the reverse; we feel that these national identities will be enhanced within the Community, because, through the European Community, they can achieve what they can no longer do alone, and can once again make the weight of their strength and their traditions felt in world affairs. (*Applause.*)

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

Mr. Björk. — I believe we all have reason to welcome the recent signs of progress towards a solution of problems connected with European economic integration. A major setback for these efforts towards integration cannot possibly be in the long-term interest of any member State of the Council of Europe. Looking backwards it might, of course, have been possible to find some other framework for closer co-operation and integration than the Treaty of Rome. Some of the ideas underlying that Treaty have become less relevant than they were in 1957. However that may be, we have to accept that further economic integration in Western Europe will in all probability be based on the Rome Treaty.

In this connection the role and the position of the neutral States become of particular significance. Several references have already been made to this problem in the discussion and in the reports submitted to us. I refer to the statement by Mr. Frydenlund that it should be possible to envisage a differentiated system of European integration which would enable neutrals to take part in the economic unification, integrated as their economies already are in Western Europe, without having to accept the political

implications. I also take note of a comment by Mr. de la Malène that the neutrals fulfil an original function in that they act as a connecting link between Eastern and Western Europe.

Mr. Darling has made some very positive and encouraging statements about the neutral EFTA countries and the need to reach a reasonable agreement with them; but he adds some ideas which may be worth further comment. He says in paragraph 11 of his original report:

> "Looking further ahead, beyond the transitional period, however, one may justifiably wonder whether the EFTA neutrals will continue to reject full membership of an enlarged Community. As the Communities are enlarged and as they progress towards an ever more all-embracing economic and monetary union, their influence on the economies of the remaining European non-member countries will inevitably become increasingly strong, to the point of becoming overwhelming."

He goes on to say this pressure may become so strong that the neutrals will be able to maintain their economic sovereignty in name only and consequently may one day find that they would be better served if they were full Members of the Community with a say in the decision-making processes.

This reasoning, first of all, seems to be based on the assumption that all the present Members of the Communities would welcome the full membership of the neutral States. This is an assumption that can hardly be accepted, especially after some of the interventions we have heard in this debate. It is an historical fact that EEC was never meant for neutral countries. From the outset its rather far-reaching political aims were strongly stressed and those political aims were re-asserted in the Hague Communiqué and in the negotiations following the Hague meeting.

Even though the plans for a systematic co-ordination of foreign policies of member countries so far are not very ambitious, the aim is very clear indeed and is hardly compatible with the endeavours of neutral States to serve as a link between Eastern and Western Europe and to avoid aligning themselves with any particular power bloc. All Members of an enlarged Community may not like to look upon themselves as a power bloc, but there seem to be considerable ambitions in that direction. So the problem of neutrals as Members of the Communities is a problem of credibility. If the neutrals are believed to be useful in relations between East and West, then inevitably they have to keep a certain distance even vis-à-vis States with which they share a common democratic ideology. We are all well aware that such terms as neutral, neutrality, neutralism and neutralisation are sometimes used in a somewhat loose manner, but if we mean by a neutral State a State which aims at neutrality in wartime—and that is the case for Sweden, Switzerland and Austria—then such a policy implies certain obligations in peacetime. Those obligations have already been defined by Sweden, Switzerland and Austria in connection with the first round of negotiations in the early sixties, and, together with the consequent reservations, are still valid.

Mr. Darling makes the interesting point that in the long run the economic sovereignty of the neutrals may well be undermined. I should like to avoid a possible misunderstanding that the neutral States of Western Europe are aiming at some sort of economic self-sufficiency or economic isolationism. That certainly is not the case. At least as far as Sweden is concerned, we have for a long time aimed at a very open economic policy and at developing economic relations with the rest of the world. We are fully aware of the growing interdependence between industrial nations. This interdependence has increased all through the post-war period and it will in all probability become even stronger in connection with an enlargement of the Communities. It has to be added that some of the aims of, for instance, the Werner Plan, or the plans for an economic and monetary union, are fully compatible and even identical with some of the aims pursued by Sweden within OECD, while other aims are clearly incompatible

with a policy of neutrality. As Lord Gladwyn has quite rightly pointed out, if Sweden were to join a monetary union it would then have to give up its policy of neutrality. But growing economic interdependence may have varying consequences both for neutrals and non-neutrals, and what Mr. Darling is referring to is really developments in a very long perspective. In actual fact, we know very little about the future. We do not know how the enlarged Communities will function. We do not know whether the economic and monetary union will become a reality. We do not know whether in the distant future there will be need for a revision of the Rome Treaty. We do not know for certain what will be the future links between political integration and co-ordination on the one hand and economic integration on the other, and we certainly do not know at all what will be the general political picture of Europe in the next few decades. So there is ample room for speculation about how the future will influence the policies and the position of particular countries.

But the problem for the neutrals today is that they have to take a stand on the basis of present-day realities and on the basis of the ambitions and the declared aims of the Communities as they are today. Sweden, Switzerland and Austria have come to the conclusion that, under the conditions as we now know them, full membership cannot be considered. In the case of Sweden this is a conclusion supported by an overwhelming majority in the Swedish Parliament.

Mr. Darling also pointed out that the neutrals may well have an interest in taking part in the decision-making process, and I certainly would not deny that Sweden at least would like to take part in a decision-making process in connection with a possible customs union with the Common Market. At any rate, the problem of participation may well be raised later on for all the neutrals and it may become of interest not only for the neutrals but also for the Members of an enlarged Community. But it seems to me that it cannot be taken for granted that participation in decision-making must necessarily be connected with full membership under the Rome Treaty.

Of course, the problem of decision-making is much more far-reaching than the problem of neutral participation. We have a much more general question as to the extent to which decisions taken within an enlarged Community will have the support and the understanding of the peoples concerned, and it seems to me that this is one of the problems of the future which must be much more seriously considered. Really fruitful and lasting co-operation between the peoples of Europe cannot possibly be imposed from above by anonymous forces. We know in the national context how important it is today to reach an increasing degree of popular participation in the decision-making processes. This is true for each of our nations. It must also be true for Western Europe as a whole. Only with the full consent and understanding of the peoples of Europe shall we be able to build the solid foundations for strong, flexible and open European society. (*Applause.*)

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

Mr. Nessler (*F*). — Mr. Chairman, Ladies and Gentlemen, this is very probably the last time that the Joint Meeting will sit with its present membership. The Council of Europe now represents seventeen nations, and the European Parliament represents six. I am convinced that at our next meeting, which will be held during the coming year, the Community will number ten Members, which will in certain respects upset a long-established balance and to some extent leave outside this large Community those democratic States which have customarily co-operated with us within the Council of Europe.

What will this new Europe of the Ten, of the European Economic Community, of the Common Market, be? I have no wish to interpret intentions or make prophecies, nor do I wish to be rhetorical when I say that the debate on supranationality is now largely over. Why is this? Because, with the entry of Great Britain—which, like France, is an old country that has been centralised and unified for a thousand years, since the first Plantagenets and the first Tudors, facing two countries such as Germany and Italy whose federal character has also played a

part in their history (I hope you will excuse me for not mentioning the smaller countries, highly civilised though they are)—it is certain that institutional and political prospects will in future tend towards harmonisation and—to use a well-established, though to some extent improper expression—towards a confederation of constituted nations.

This being so, the debates which have taken place in this Chamber over the years will undoubtedly take a different course, and certain formal disputes which have been described as theological will in future be quite unnecessary.

The positive, concrete achievement for which we shall in future pool our efforts is the Common Market whose aspiration, not to say ambition, is to become the third economic power in the world. I say "third" because there are two others, and not to suggest any relative importance!

This state of affairs gives rise to a number of observations to which I should like to draw your attention.

If this Community is to expand and grow wealthy by virtue of a positive balance of payments and a positive trade balance, what is to happen to that wealth? The problem arises in respect of each of our countries and of the Community as a whole.

On the one hand, we can choose a very high, "Japanese-style", growth rate—or "Russian-style", one might say, thinking back to the time of the first five-year plan. Everything earned would then be re-invested either in industry or in agriculture, so that in effect the present generation will be working for the generations to come.

No country in Europe has so far opted for such an approach.

A second possibility would be a parallel and sizeable rise in wages and salaries, in other words a rise in the general standard of living. Of course, a part of that wealth will be used for this

purpose. But economists will tell you that if Europe consumes everything it produces, because of the opportunities for consumption which it makes available to its peoples, the growth rate will be affected.

A third approach would be to improve communal facilities —bridges, motorways, hospitals and schools. These are investments which affect neither the growth rate nor the standard of living.

Finally—and this must be referred to, after all—there is the question of solidarity with those who have been described as the victims of progress, by which I mean the old, the disabled, and the defenceless young.

I have indulged in this brief analytical survey because, while the Common Market and the Communities are endeavouring to solve a number of institutional problems and problems of competition, the harmonisation of growth rates, as of wealth and its distribution, has never really been studied in depth from this point of view. Each State in the Community, be there six of them today or ten tomorrow, has its own idea of economic progress. The least one can say is that their ideas are not in harmony at the present time.

There remains the final problem, the one with which we deal in the Council of Europe more than any other: that of the political philosophy and political institutions.

This topic was discussed at great length by an earlier speaker, but I should like to present a number of objections which are of current concern.

We are soon to be joined in the European Economic Community by our friends from Great Britain, a country which shares the following characteristics with France.

On the one hand, both of them are countries which in recent times—I am not going back as far as the Middle Ages—have played an international part by reason of the way in which they have evolved and progressed and, let it be said quite frankly, by reason of their colonial past.

Because of this international role which history has confirmed, both countries are permanent members of the Security Council, in the same way as the two super-powers, although it might be argued that their economy, their population and their size give them no right to that privileged position. But it is a fact, and neither Great Britain nor France would willingly relinquish it. When I say this, I am not being cynical but frank; and the situation is not going to change in the decade to come.

Furthermore, as another speaker has already mentioned, these are two countries with a nuclear potential, and for reasons connected with diplomacy, international treaties and the international environment, the only two European nations who have this nuclear capability are not yet prepared to renounce it. We must, therefore, eliminate the things which might divide us and turn our efforts to what can be achieved in the economic and social fields, and possibly in the legal field too—in tax, legislation and solidarity.

This brings me to my final comments, Mr. Chairman, on the matter of the European institutions. There is a risk of some confusion. People talk about a parliament elected by universal suffrage. But what parliament do they mean? The parliament of the Six? Of the Ten or of the Eighteen? And anyway, are not all of us here elected by universal suffrage? It is true that we are appointed at one remove, in the same way as the French Senate, but there can be no denying that we are the representatives of parliamentary assemblies all of which are elected democratically. If we are to move towards the election of a parliamentary assembly by universal suffrage, in what way will it be elected? Would the elections take place within the framework of individual States, in which case each delegation would be a national delegation?

Or in the framework of Europe as a whole? In that case, would there be proportional representation or majority ballots? Will there be Conservative, Christian-Democrat, Socialist and Gaullist parties for the whole of Europe? I find it difficult to envisage what the practical arrangements might be in such circumstances. There are a certain number of myths which we are happy to cherish; it is all very charming in theory, but in practice, I believe, we shall have to give up a number of ideas which are less inspired than they appear.

More important, in view of the existence of the European institutions—the Council of Europe, which is the oldest, the European Parliament and Western European Union— is that now that the Community is to be enlarged and strengthened, the powers, jurisdiction and fields of competence of each of these institutions should be defined.

It is essential that we all take the opportunity at this Joint Meeting to reflect on these problems, free from any spirit of rivalry or competition.

That is my assessment of the situation, which I offer for the consideration of our friends in the European Parliament and my own colleagues in the Council of Europe. (*Applause.*)

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

Mr. Judd. — Mr. Chairman and colleagues, first I should like to join with those who have expressed real appreciation to the authors of the reports which we have been able to study during this discussion and for the very thoughtful way in which each of them introduced his written remarks to the Assembly.

It is sometimes suggested, I believe in ignorance, that the only basis for the widespread—and it is widespread—reservation in Britain about possible entry to the European Economic Community is insularity, narrow-mindedness and short-sightedness. While obviously there are some immediate domestic considera-

tions such as genuine anxiety about the price of entry to the Community and its impact on our balance of payments, particularly in the light of the tremendous achievement of the British people rather than any particular government in having transformed in the last seven years a record deficit into a record surplus, and while of course there are real anxieties about how a right-of-centre Conservative administration in Britain will introduce appropriate social policies to protect the elderly, the unemployed, the sick and those in a less strong bargaining position from the immediate economic consequences of entry—while there are anxieties on these domestic issues, there are profound reservations of much greater significance which I believe we ought honestly to examine together in this Assembly. I do not believe that any service to the future of EEC will be rendered by pretending that these more significant reservations do not in fact exist.

The first concerns the prospects for the very survival of Western civilisation and Western democracy. Thoughtful people in Britain argue increasingly that we ought to look at the evidence of the fate of earlier civilisations in the history of the human race, because one thing all earlier civilisations have had in common is their eventual collapse. If we are to avoid the fate of our predecessors, it is at least incumbent upon us to look at some of the causes of their downfall. Amongst thoughtful people in my country—and I am sure this goes for other countries in Europe equally—there is the recognition that one cause of downfall in the past has been an over-centralisation, a top-heavy bureaucratic administration which ceased to have any viable basis in the society as a whole to which it was theoretically accountable or for which it was theoretically responsible. This is seen as perhaps the most important paradox of the age in which we are now living: on the one hand, the immense unrivalled theory at our disposal for centralised management and control, but, on the other hand, the inescapable truth that with the development of this complex organisation the system has become more not less vulnerable to complete disruption.

Therefore, as several people have already argued in the debate, it is frequently suggested that far from just discussing at intellectual

weekends and conferences possible alternative ways of organising our society, we now have to recognise that without decentralisation, without devolution, without far more widespread involvement of a representative cross-section of the people in direct control of their affairs wherever they may be, we may in fact be unable to avoid the same devastating end which has confronted every other previous civilisation.

What people then go on to ask is, is it really possible to generate political momentum at one and the same time in support of still more centralised control, remote bureaucratic management based in Brussels, and also in favour of genuine decentralisation, involvement of wider numbers of the people. Until the European Economic Community can present hard-hitting and realistic answers to this particular point, I am sure that reservations will continue to exist, particularly amongst the younger generation.

In this context might I also refer to something to which my colleague, George Darling, drew attention in his interesting remarks when introducing his report. Mr. Darling referred to the particular problem facing Britain in terms of moving from the tradition of centuries of an unwritten constitution to what is in effect a written constitution for an important part of our economic and political life.

Mr. Chairman, might I with your leave relate to the Assembly an experience which I had the other day that brought this point home to me very clearly. I was speaking to some students in a sixth form of a school in the area of my constituency. At the end of this meeting some of these young people came to me and said, "Mr. Judd, we have been studying constitutional history. We understand that our particular constitution in Britain is unwritten and is based on consensus evolved over centuries. Now we are being asked, as we understand it, by possible entry to the European Economic Community, to move in one fell swoop from a tradition of an unwritten constitution to a new concept of a written constitution. How can you justify this without first seeking the leave and consent of the British people?".

I believe there is an important point here. If the British Government—a British Government of any political persuasion—were to insist upon entry to the Community without an adequate opportunity for the people as a whole in Britain to be consulted, this might do irreparable damage to the confidence amongst the British people in the meaning and the significance of democracy. They would say: we were asked to exercise our choice in a recent general election on a whole range of issues which all are agreed are not as significant as this particular issue, and yet when it comes to this issue of far greater meaning and far greater long-term implications, we are told that this is something that must be decided by the experts, political leaders, and that we cannot in fact be consulted.

What is the real substance, what is the real character of democracy in this situation? I relate this particular problem to the Assembly, because I do not think any service will be rendered to our cause by sweeping it under the carpet and pretending that a reservation of this sort does not in fact exist.

The second reservation with which we are confronted, and which I believe we must consider, concerns defence. Our Italian colleague, in his interesting remarks, touched on views held by a great number of people in my own country. Amongst them there is a suspicion of a tendency to emphasise the importance of a closely knit defence system increasingly independent of the United States and of NATO. They ask how this will really serve the cause of collective defence and they question whether fragmentation in the Alliance of this kind might not in fact hamper work for détente and disarmament in the international community as a whole.

The third issue, which I believe we have to consider as one of the more serious and profound problems with which the British people at this juncture are concerned, is the issue of the multinational company. A good deal has already been said about this in the debate so far. But a number of people in Britain are worried by the accumulation of great economic power outside the demo-

cratic system, as represented in the growth of multinational companies. They see this as nothing else but a sinister threat to democracy; but they also see it as a fairly natural evolution in the story of capitalism, and they ask, if the Community has basically accepted the ethic of capitalism, how will it be able to counter this particular trend. They ask whether the will to counter this trend is really there; and, speaking for Socialists at least in my own country, a number of them ask whether by joining EEC we shall forego our freedom to seek increasingly Socialist answers to the challenge of this grotesque development in the form of international capitalist organisation.

The next problem which concerns many people in Britain, and which, again, EEC would do well to consider, is related to the whole concept of internationalism in the age in which we are now living. Many people in Britain—and I am sure on the continent of Europe as a whole—accept that since 1945 the quality of human existence has changed fundamentally in one respect. We now have for all time to live with our potential ability as a human species to destroy ourselves completely, and in this context we therefore have to recognise that political problems and political crises, wherever they exist and however remote they may appear to be in the world in terms of distance, are very much our problems; because in these conflicts and crises are the seeds of the potential destruction of Europe itself. So we feel that if we are to evaluate the relevance of EEC at this juncture we have to ask how far as an institution it really fosters this recognition of wider world interdependence.

There is also, however, concern about the frequently acclaimed values of our society and what these values demand of us in terms of the morality of our international action. When it comes to this particular consideration people are rather distressed at the absence of a forthright collective voice of EEC on some of the major problems facing humanity as of now. They notice, for example, that, quite rightly, there was virtually unanimous condemnation throughout Western Europe of the rape of Czechoslovakia and of the Brezhnev doctrine. But, they ask, if this con-

demnation is to be credible, where is the same outspoken collective opposition in EEC to the abuse of democratic institutions in Greece and in Portugal?

If this Community is to have strength and moral significance in the world, it must speak out wherever the principles which it sees at its basis are betrayed or abused. Looking at issues further afield than Portugal and Greece, this particular section of the community in my own country—and I am sure this must apply elsewhere—asks, for example, where is the voice of the European Economic Community when it comes to the struggle for emancipation waged by the peoples of some countries of Latin America or of Africa?

People ask very bluntly whether the Community collectively is more concerned with expanding trade and economic co-operation with the racialist regime of South Africa, including a readiness to export arms to strengthen the power of the oppressor, than it is with identifying with the majority of people in that country in their fight for basic human rights. People ask where is the voice of EEC in relation to the struggle of the liberation movements operating in the Portuguese colonies in Africa. I am only reporting to the Assembly what is said in my country. They ask: is all the running to be left to the totalitarian communist powers who will exploit the opportunity possibly for the most cynical objectives, to demonstrate themselves as the only true allies of the majority in the forces of progress in this situation?

There is one other issue I must mention, because when people in my country are trying to evaluate the relevance of EEC to the problems of the world community as a whole, they obviously look at the overridingly important economic and social crises confronting mankind as a whole at present. Where, for example, they will ask, is the indication of a decisive and courageous response of EEC collectively to the crisis in Pakistan? I see that my Conservative colleague, Dame Joan Vickers, has sponsored a response here in the context of a particular amendment, and I hope it will get all possible support. But if there is to be more

conviction that EEC is genuinely concerned about the problems of the world as a whole, one would have expected to see a more obvious response to a major crisis of this kind.

Looking at the broad appeal of the problems of the developing countries of the world, we can take just one statistic to illustrate what I am trying to put before the Assembly this afternoon. In a recent debate in the Council of Europe we learned that outside Communist China there are as of now 70 million people totally unemployed in the developing countries. We can expect in the next decade an increase of 25 per cent or some 225 million people in the population of working age of the developing countries. As the International Labour Organisation points out to us in the report submitted as a basis for discussion, here at the Council of Europe in Strasbourg, we ignore at our peril the political dimensions of this problem as they will affect us here in Europe.

We must recognise this problem which confronts us, yet when we look at this situation we see that one of the main foundations of the Community is a common agricultural policy which appears to protect high-cost European agriculture and to subsidise, to some extent, the dumping of surplus agricultural production from Europe on world markets at the expense of agricultural and rural development in the developing countries, which is the only method by which anything can be done in the immediate future to absorb more of their presently unemployed manpower.

One has also to examine the system of tariffs which to some extent still seems to penalise the export from the developing countries of agricultural goods and processed agricultural goods. Against this it is argued that a number of countries in the developing world formerly associated with Great Britain are already, of their own volition, seeking associate status with the Economic Community. But the reply, surely, is that they have no alternative. If the Community is to be there they have to have some kind of relationship and must seek associate status because that is better than nothing. But that does not necessarily demonstrate that associate status is in their best interests. While we would

congratulate all the countries of Europe and EEC which have been involved in the record levels of technical and capital assistance to the developing world, we must understand, not only in the cause of relevant social morality in the world situation but in the cause of enlightened self-interest itself, that we have to give far higher consideration to economic justice for the developing countries, which is not just a matter of channelling out charity from the industrialised wealthy countries but reorganising world trade in such a way that we can give those countries their legitimate opportunities without which the future, for them and perhaps for all of us, is certainly bleak.

I have tried in my remarks, most inadequately, to demonstrate some of the wider considerations present in some British minds at this juncture as negotiations about Britain's entry into the Common Market reach their final stages. I really do believe that it would be a tremendous step forward if the Economic Community could demonstrate at every possible opportunity its recognition of the concern which exists about these wider and more significant problems.

If I may summarise my argument, I would say that the most difficult question mark overhanging the European Community is this. In an age when the recognition of world-wide interdependence is not only morally imperative but, more urgently, a first priority in terms of politically enlightened self-interest, whatever may be our ritual utterances in reports and speeches, can we honestly declare that the driving force for Western European integration as of now is an endorsement of internationalism, or is it really a frustrated nationalism and, as such, a commitment to old-fashioned power politics and, therefore, a denial of the fundamental realities of the age in which we live?

Mr. Berkhouwer (*F*). — Mr. Chairman, may I ask Mr. Judd a question?

The Chairman (*F*). — Mr. Judd, we have no specific special procedure, this being an exchange of views.

Mr. Berkhouwer would like to ask you a question. I am sure you will have no objection, and no doubt you will also be prepared to answer it.

I call Mr. Berkhouwer.

Mr. Berkhouwer. — The honourable Member for Portsmouth has just been speaking about the unwritten constitution. I have two small questions to put to him concerning this. Does not this constitution permit Britain to enter the Common Market without a general election, for which he pleaded, and if this constitution does allow your government to go into the Treaty with the Common Market, why should such an election be necessary, apart from constitutional points of view?

The Chairman (*F*). — I call Mr. Judd so that he can answer Mr. Berkhouwer's question.

Mr. Judd. — Of course, there is no question about this. Our unwritten constitution does permit any government of any political persuasion to take us into the European Economic Community without an election. This is absolutely clear. What I would argue is that I believe that there would be perhaps less damage to confidence in a democratic system if the British people collectively felt that a step of this magnitude were not being taken without an opportunity for them to express their views as a nation. They make the point that it is rather ridiculous to have general elections on issues of lesser significance if, when it comes to an issue of this magnitude, there is no opportunity to put their view on record. Constitutionally, they cannot gainsay a government's intention, but I think that there is a point here about the character and the quality of political life which needs to be considered seriously. I am not suggesting, incidentally, that when it comes to the point the present government in Britain will not give full opportunity for consultation. All I am suggesting is that fellow-members of the Assembly should appreciate that, if there is pressure in Britain for time for consultation, this may be very vital and very important in the cause of preserving the quality and spirit of democratic life itself.

The Chairman (*F*). — Mr. Lemmrich has also asked to put a question.

I call Mr. Lemmrich.

Mr. Lemmrich (*G*). — Mr. Judd, regarding your explanations on the question of a referendum in Great Britain: this is after all an extremely weighty issue. Can you explain to me why the former Prime Minister, Mr. Wilson, did not mention these very crucial facts which you have advanced today when he addressed the Consultative Assembly of the Council of Europe? In that speech he made a solemn assertion that he and his political colleagues were quite serious about joining EEC. "We mean business" were the words he used.

The Chairman (*F*). — Mr. Judd, do you wish to answer ?

Mr. Judd. — Certainly I have absolutely no doubt whatsoever that the former Prime Minister meant sincerely everything that he said in this Assembly. All I am saying is that, looking at the manifestoes of the political parties in the last general election in Britain, I think everyone, whether in favour of entry or against entry or reserving his position until final terms are known, would agree that there is no absolute mandate for any political party to take Britain into Europe. There were statements about the importance of negotiation, and I want to re-emphasise the point which I made in answer to the earlier question, which is a very real and significant one. I am absolutely certain that constitutionally any government is within its power, without a general election, without a referendum or anything, in entering Europe. But we cannot really have it both ways. If this is an issue of overriding importance, of great magnitude and of tremendous significance for the British people, and for the Community itself, then surely, if we really believe this to be so and we really at the same time believe in the spirit and the essence of democracy, we can have no objection to emphasising the importance of full consultation with the people. I have not in my remarks this afternoon—and I am sorry there is a misunder-

standing here—said that there must be a referendum. What I have said is that I believe it would be wrong of politicians of all parties in parliament in Britain to make the decision, which in the end must be theirs, without having taken very thorough steps indeed, first to sound the views of the British people. Some will say—and I can see the smiles of cynicism in this Assembly—that this is a sophisticated way of keeping Britain out of the Community because in fact the overriding vote will be against.

Mr. Berkhouwer. — You want elections.

Mr. Judd. — If I may say so, I beg to differ. I happen to believe that, looking at the situation at the moment, some of those people in Britain who are advocating, as of now, a referendum, are in favour of entry, just as some of the people who are against the referendum are also against entry. I am fairly confident that, if we were to have a referendum, one result of this would be a far fuller and more meaningful discussion in the country as a whole about all the implications of possible entry. But if we are not to have a referendum all I am saying—I am convinced on this; it is all I am asking for and I cannot believe that there are any reservations in this Assembly about it—is that there must be adequate time for consultation. Speaking personally as a member of parliament, I want adequate time to go to my constituency and to make sure that all the people in it have an opportunity to discuss with me fully the implications of membership as I see it and question me on it, and I do not believe that anyone in this Assembly could object to perhaps some delay while this process is completed. (*Applause.*)

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

Mr. Lloyd. — I feel that what Mr. Judd has said cannot be allowed to go unchallenged in this Assembly. It is of the greatest importance that members of the European Parliament should know that there are two parliamentary points of view on this issue within the United Kingdom. First may I take this point about the importance of referenda and the greatness of issues. Every

great issue facing the United Kingdom in the history of our parliament, going back for five centuries, has been taken by Parliament alone. The union of Scotland and England, the decision to create an empire, the decision to dismantle an empire, the great decisions of peace and war, have been taken by the Parliament of the United Kingdom at Westminster assembled, and this decision will be taken in exactly the same way.

The question of consultation with the people is constantly being put forward by the critics of entry as a reason why the government may not take this decision. Every Prime Minister of the United Kingdom from 1960 onwards, including the last Prime Minister, has unequivocally in his manifesto at election after election, irrespective of party, notified the country of his support for the decision to join the Common Market if the terms are right. Nothing could have been more direct. At election after election that statement has been endorsed unequivocally.

That there is now a considerable controversy within the United Kingdom is inevitable and not surprising. It is a function of delay, of the complexity of the issue. But that we should now say that there has been no consultation on this enormously profound question, which has been debated throughout Europe and Britain in the past fifteen years, and that the decision may not be taken without something which is unprecedented in British history, seems to me a wholly mistaken point of view. (*Applause.*)

The Chairman (*F*). — I am going to call Mr. Judd once more. After that we shall return to our list of speakers.

Mr. Judd. — I am deeply indebted to Mr. Lloyd for his intervention. I am very sorry if I conveyed the feeling that there was only one view on this issue. There are certainly at least two, and probably more if we go into all the more sophisticated arguments. Of course, Mr. Lloyd is right. But I cannot let this misinterpretation of what I said this afternoon go unchallenged. I did not call for a referendum, and deliberately did not do so. I spoke about the need for the British people to be fully

consulted and for members of parliament to be certain when they make their decision that they have had every opportunity to discuss with the widest possible cross-section of the electorate, in the fullest possible sense, the implications of entry. I cannot believe that if we subscribe to the principles of democracy there can be any objection to that.

Surely, the existing Members of the European Community and other European representatives here this afternoon would be deeply concerned about a decision to enter if there was a feeling that it had been taken in spite of public opinion, without adequate consultation. They would be far more concerned about that than if the decision had been taken after full and proper discussion and discourse with the electorate as a whole.

I must, however, say something in defence of those in Britain who now argue for a referendum. It is very interesting that one of the principal proponents of the idea of a referendum is a former Labour Minister who is, and has been consistently, in favour of British entry to the European Community. Those who argue for a referendum have never said that the decision should be taken out of parliament's hands. What they have said is that a referendum would be an adequate way of sounding public opinion before parliament, as is the constitutional tradition, made up its mind in its own good time about what should or should not be done.

I am sorry if my remarks have touched off controversy. But I must repeat that it would have been deplorable if in today's discussion no one had even attempted to put before the Assembly some of the very genuine misgivings and reservations that exist in Britain, quite apart from the more narrow, insular, short-sighted, prejudiced outlooks which we all deplore.

May I put this to all my colleagues here: if you share my fervent faith in the relevance of democracy, in the right of people to participate in the shaping of the societies to which they belong, please do not react hastily when points of this kind are put before

you; please understand these points; please try to enter into dialogue and meaningful discussion about them, because that is the way in which we can create a genuine, meaningful, political community in Europe. Without such dialogue, I suspect that while anything we create may exist on paper, its substance may be highly questionable.

The Chairman (*F*). — We can now resume where we left off on the list of speakers. Personally, I am not at all sorry that we have had this exchange. We are here for an exchange of views. The only thing I do regret is that most of our colleagues from the European Parliament are at present attending committee meetings and other meetings and have, therefore, been unable to participate.

I call Mr. Portheine.

Mr. Portheine (*N*). — Mr. Chairman, I do not often have the opportunity of addressing you in Dutch, but I shall do so today. Following the intervention of my friend Mr. Berkhouwer and the ensuing discussion, I should like to say that I agree not only with what was said then, but also with what Mr. Judd may have meant in part, although I disagree with him on very many matters.

We have talked about a great many possible ways in which Europe may be built. I think this is extremely valuable, and I subscribe in general to what has been said today and also to what is contained in the reports. In my opinion, however, the question of how people will fare in this Community has been unduly overlooked in today's debate. The question was put by Mr. Judd, and here I am in agreement with him. It is an important question. For if we want to build structures, if, for example, we want to enlarge the Community to include not only Britain but other countries too, then—to use the economic jargon—we have to sell this to the people. No doubt, Mr. Judd will not particularly appreciate that expression, but then all capitalist influences are simply anathema to him.

We can only "sell it to the people" if we know that the various groups can be involved in the actual construction process that we choose. I should like to pay a tribute to the Rapporteur, Mr. Darling, for setting out in his report, and especially on page 7 under the heading "Social progress", the standpoints which various groups might take in respect of such an enlargement of the Community. He states in his report that economic growth in general can be regarded as the background to the enlargement of the Community—and possibly as its banner for the future. He says that economic growth must be spread evenly throughout the Community, by which he means the various national communities. He then goes on to say that often this is not the case. He also states that a great deal has been done, for example, for farmers inside EEC, but at the same time points out that a number of others have been left out in the cold. Those who are old and sick, those with an inadequate education, may perhaps not share in that economic growth.

I agree that attention needs to be drawn to this. But I should like to add another important group which Mr. Darling did not mention, namely the large numbers of self-employed workers in small and medium-sized enterprises outside farming, who are so often forgotten when the overall picture is being surveyed. I want to appeal for consideration for this group. In their interests we must find ways—and they exist—of taking important harmonising measures inside the Community and, I hope, in the framework of the Council of Europe. I believe that there is a great opportunity here, certainly at least for the Rapporteur himself, since Mr. Darling is to present a report to the Council of Europe on this matter, which is one of great importance to consumers too—general aspects of competition, orderly business practices, and fair competition.

As I have said, it is also a matter of great importance to consumers. Take, for example, measures to control misleading advertising, and action to encourage informative labelling. I have been talking about the small and medium-sized enterprises, but the same might just as well be said about all kinds of other groups

to which a positive approach needs to be taken. As I see it, this means that we must make a more or less solemn promise to that group that we shall be able to take significant measures within the enlarged Community. And so I am glad, Mr. Chairman, that at yesterday's plenary Assembly of the European Parliament, part of which I attended, it was made clear that the European Commission intends to take steps in the field which I have mentioned, among others, and also that, in its resolution on the Berkhouwer Report on competition, the European Parliament refers unequivocally to the very special position which the small and medium-sized enterprises occupy in our Community.

I repeat: this Community must be made acceptable to society. But there are in Europe a great many self-employed people who doubt the value of the Community; they are both dubious and afraid. We must dispel their anxiety by adopting a positive approach which is more than a match for all contingencies. I am convinced that if we make a solemn promise on this matter, we shall succeed in dispelling that anxiety, and so favour the enlargement of the Community. (*Applause.*)

The Chairman (*F*). — I call Mr. Scott-Hopkins.

Mr. Scott-Hopkins. — Mr. Chairman, may I first agree with you in regretting that the arrangements are such that our friends of the European Community, with the exception of one or two, find themselves unable to be present here as they have to work elsewhere. When there is a Joint Meeting of the two Assemblies, it seems to me things might be a little better arranged so that the two Assemblies can get together, otherwise it is largely a waste of time of both Assemblies to hold such a meeting. That being so, may I now turn to the debate that is taking place.

First, I join my colleagues in congratulating the Rapporteurs on the reports they have put forward. One of the things that struck me, as it did Mr. Darling, was the tremendous similarity of the four reports in the subjects they deal with and the points they highlight.

The one on which I wish to concentrate was also touched on by my colleague, Mr. Judd, who provoked the most electric part of the debate so far today. I agree with the point Mr. Lloyd made concerning the speech of Mr. Judd. In my view the first part of this speech, although of course there is a great deal of truth in the issues he raised there concerning the method whereby my country joins or does not join the Economic Community, concerns matters for discussion at Westminster and not here. The points Mr. Lloyd has made here I am sure will be made again.

May I also emphasise what was said by one of our German colleagues when questioning Mr. Judd. The commitment of all the political leaders is complete not only to negotiate but to negotiate with the idea of success and joining the Communities should the terms be acceptable to them. This is the clear position of the political leaders within my country. Let us leave that point which is more of a domestic one than one with which we should necessarily be dealing here.

The main issue we are discussing here is: where do we go from here should the four applicant countries be able to join the Six? Are we looking forward, as has been said in the main paragraphs of each of the reports made here, to a political integration? Is there a possibility, as mentioned by Mr. Nessler, that the words "confederation" and "federation" in the future will have little meaning? What are we really trying to aim at? Will this be purely economic? We heard Lord Gladwyn saying that even on an economic basis one cannot possibly continue, one cannot extend beyond the existing frontiers, unless one moves over from the unanimity rule that exists in the Council of Ministers to that of a majority vote. This is, of course, in direct contradiction to what was said at the recent meeting between Mr. Pompidou and my Prime Minister, Mr. Heath. They came out with the firm declaration that unanimity was necessarily an all-important issue affecting national sovereignty and national interests. The two views are obviously irreconcilable not only in the economic field but also in the political field.

In my country we in the Conservative Party when talking about Europe have always been putting forward the following realistic pragmatic view. Let us start first things first, let us start with the economic union of our countries. Let us work together, let us get this working and let us use the institutions which are there. Obviously, if one is to move later from economic co-operation to monetary union, one is indeed going one step further.

In this context I was very glad to see in the *Daily Telegraph* of my country today that at the meetings yesterday in Luxembourg, Mr. Rippon seems to have come to an amicable arrangement with the Ministers of the Six concerning the role of sterling in the future. Whether it is a twenty-year or a fifty-year phasing out of sterling is unimportant in my view. The important point is that the question of sterling and its phasing out as a second reserve currency by my country has been accepted by the Six and also by my country. This surely will help us to move the next step forward along the path of co-operation, not only in economics but also in monetary union.

This brings me to the point raised by Mr. Scelba as to what we are trying to do. We do not believe in building up great big institutions and saying: "Now you will deal with the monetary side, the financial institutions of the enlarged Community, or the political". We believe that as the need arises, so one can adapt existing institutions or invent new institutions to deal with those parts which are necessary. Of course, in the years ahead there must be close monetary union co-operation. There must be close political co-operation amongst our countries.

We must work together. We share a common viewpoint on the political front, but I would not suggest for a moment that we now should occupy ourselves with setting up a political institution. Many institutions exist in Europe already; and, as Lord Gladwyn said earlier, many of us believe they overlap too much those of WEU, the NATO Alliance, the Council of Europe and the rest. There are plenty of means whereby we can get together, whereby we can co-operate and can coincide our views not only on

the political front but on other issues as well; and over a period of time there must grow up institutions which will control the "civil service", as we call it in my country, the bureaucrats who are the servants of the Six, and of the Ten as they will be. This democratic control which will be exercised, one hopes, through a democratically elected parliament in due course of time, will be given powers and will take its own powers to deal with and to control the bureaucratic machine which it sets up underneath it.

I believe that what came out of the Paris meeting between the British Prime Minister and the President of France was the right and realistic view to take at this moment of time. We are rather like children. Six children have been working and living together in the same house and all know each other's faults and habits. They know how they can progress, how they can walk along together. We are four children who are coming in from outside. In many cases we do not have a similar language or similar customs although our backgrounds are the same. It will take some time for us to catch up with those Six who have been together. We want to do this but we must do it slowly and with understanding on all sides. If we try to go too fast, to run before we can walk, we shall stumble and probably fall by the wayside.

I am a firm and enthusiastic European, as I believe my colleagues in this Assembly will know. I have many reservations, as we all have. Mine concern the questions of timing and method—what Mr. Judd calls "putting it over" to one's own people, convincing them that one's own arguments are right. If this can be done at a steady pace without building enormous castles in the air, full of bureaucrats spending their time building their own little edifices, and if we can deal with the problems as they come up, creating new institutions or adapting existing ones to deal with situations as they arise, then I believe we can build a Europe which will deal not only with the economic and monetary future but with the political future of Europe; and not only for the benefit of those existing countries who will be within the Ten, but also for those countries who will be on the periphery. associated States, be they European or those States having a lien

on us as an ancient civilisation, those of Africa, Asia and other parts of the world, as well. If we can do that, I for one will be very satisfied. (*Applause.*)

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

Mr. Blumenfeld (*G*). — Mr. Chairman, the four reports which have assisted us in this interesting debate seem to me to share a very clear common nucleus. What they have in common is that they repeatedly ask not only what kind of role Europe and this enlarged Community have to play in the future, but also what conception this Community will have of itself and along what lines it will develop. Mr. Frydenlund, our Norwegian colleague, for example, rightly discussed the important psychological and political aspects from the standpoint of one of the Scandinavian applicant countries, a country wrestling with a great many difficult internal problems which have not been made easier by the fact that the Commission in Brussels—and I shall return to this point in my conclusion—made proposals with regard to the relationship between an enlarged Community and the neutral States which open up a whole series of economic possibilities for those States and provide grist to the mill of those who oppose entry in some of the applicant countries.

Mr. Chairman, I should like to examine in somewhat greater detail that nucleus of which I spoke a moment ago, in order to see whether developments inside the Community are likely to improve the operational efficiency of its organs and strengthen its institutions. In his impressive speech during today's debate, Mr. Scelba used the expression "political reactivation", meaning that, in view of the imminent accession of Great Britain and subsequently of the Scandinavian countries and Ireland, it is now necessary to take time by the forelock, as it were. By "political reactivation", he certainly did not mean, if I have understood him rightly, that new institutions should be continually developed, but that the existing ones, in other words the Community's organs and institutions as founded on the Treaties of Rome, should be further developed. I would add that I see no kind of political reactivation in the proposal to institutionalise European Ministers at the

present time or to draw up fresh long-term plans which may or may not reach fruition in the year 2000. Rather, the vitally important thing now is, first to strengthen the position of the Commission, and secondly to provide the European Parliament as quickly as possible with a status or jurisdiction such that the European politicians, as representatives of their electors or of their countries, as Mr. Scott-Hopkins has just explained, may have real powers of control in executing the tasks entrusted to them.

For I would ask, Mr. Chairman, if individual governments had Ministers for Europe, to whom would they be responsible? Quite clearly, only to their own Heads of Government in the framework of their national cabinet arrangements and possibly also to their national parliaments, but, if I have properly understood the proposal in question, never to the European Parliament, which after all is intended to have real democratic powers of control in addition to its budgetary powers. How can these things ever be reconciled?

Mr. Chairman, I frequently have the impression—even though today's debate in this Chamber will not be the last one, either for the European Parliament or for the Council of Europe —that a great many of our European friends and colleagues have yet to overcome an attachment to the past which finds expression in references to the great historic events and deeds of a colonial epoch; or, as our friend Mr. Judd has done, they make so much of constitutional issues that it is difficult to extricate oneself again, as Mr. Judd probably noticed. I have no wish to dwell on this now, Mr. Judd, but none of us who are part of the Community of the Six have renounced our constitutions. But what we are doing is to build a future together, and we are prepared to relinquish for good a great deal from the past; and this is all that is being asked of you and your electors in Great Britain.

We can overcome the past only if we are agreed about two major issues, which have in fact been covered sufficiently in the

debate so that I need do no more than list them once again. Besides the question of the familiar long-term plan for development towards economic and monetary union, there is the simultaneous development of political union; for unless the latter form of union succeeded in completing its various phases on schedule there is no hope of achieving economic and monetary union in the European Community. Everybody here knows this, I am sure, and the President of the Commission doubtless knows it best of all.

In many European capitals at the present time pragmatism is writ large, and not only in cabinet rooms but on the parliamentary benches too. This pragmatism is often described as realism. And I freely admit that it is right, as the previous speaker has just said, to take one step at a time and not attempt to take fences at the gallop and come a cropper in the process. But in view of the fact that progress towards federation and the strengthening of the institutions of which I have been talking will inevitably be a long and difficult process, it is all the more necessary to create a flexible system of European political co-operation, and over and above the political aspect of course, of economic, technological and scientific co-operation too. As I see it, this possibility exists in the strengthening and continuation of the work of the Council of Europe in its Consultative Assembly.

This brings me to a point mentioned in a number of speeches during this debate, namely that some of the existing European bodies will surely now, in the wake of the enlargement, either be absorbed into the European Parliament or be assigned to the Consultative Assembly of the Council of Europe for the purposes of parliamentary control.

By this I mean a whole series of European institutions which have not so far been directly referred to in the course of the debate. OECD is one of them. It seems to me necessary that this "hinge" should be brought quite clearly to the forefront in this discussion, this hinge between political development and the further development of the European Parliament and the Council of Europe's Consultative Assembly.

I should like to mention one final point in this connection. When preparations were being made for this Joint Meeting we suggested, as our colleagues in the European Parliament are aware, that the important subject of the political parties in a developing and enlarged Europe should also be discussed, together with the ways in which these political forces might be deployed at European level.

I shall not go into this subject now. Mr. Nessler touched upon it in connection with the question of direct elections to the European Parliament. That is my reason for referring to it. I see no other way, no alternative but for us one day—not tomorrow but in the foreseeable future—to give this subject our attention again, not only in this distinguished Assembly, but in the framework of the European Parliament, and also in that of the Consultative Assembly of the Council of Europe. We must realise that patterns of power in all European States will be determined by political parties if we are to have a properly functioning European Parliament. The embryo we have at present must develop. The sooner we make a start, the better and more lucid our judgment is likely to be.

The last point I should like to make concerns the future relationship between the enlarged Community and the neutral States. In the reports, particularly that of Mr. de la Malène of the European Parliament, I came across a number of sentences which I consider extremely important and should therefore like to emphasise again.

Mr. de la Malène says that the European Parliament and the enlarged Community should tell the neutral States quite unequivocally that they would not be "penalised" for maintaining their neutral status. And he adds: "Europe needs neutral States. They fulfil an original function in that they act as a connecting link between Eastern and Western Europe".

You, Mr. Chairman, as President of the Consultative Assembly and as a national of a neutral country, will certainly recall

that this position as adopted by Mr. de la Malène in his report has been repeatedly and emphatically underlined in resolutions adopted by the Consultative Assembly.

In my view, however, the Commission, which recently published in one form or another a number of proposals on the relations between the enlarged Community and the neutral States, has failed to throw sufficient light on the real heart of this matter and has perhaps even overlooked it somewhat.

For I believe this to be a quite vital issue. Is it not essential that the Community, particularly the enlarged Community, should specifically invite the neutral States to take part in its discussions, and not present them with a fait accompli? A fait accompli would provoke precisely the reaction which we in Europe want to avoid, and to which Mr. Frydenlund referred in his report. We must therefore ensure that those neutral States which remain outside the Community of their own free will are enabled to participate in the decision-making process between themselves and the Community.

Mr. Chairman, the Swiss Government has in recent times, as I believe, pointed out a whole series of important issues on which the participation and involvement of the neutral States, co-operating with the enlarged Community, is obviously possible and simply cannot be passed over or excluded: take the question of the law on competition, monetary questions, currency questions, take freedom of establishment for companies and individuals, take the questions of scientific research and technology. Surely all this calls for a codification of the relations between the neutral States—including those which are not joining with Great Britain, the Scandinavian countries and Ireland in applying to the Six for membership—and the enlarged Community.

It seems to me, Mr. Chairman, that we must not wait until 1975, as the Commission has suggested, to find a practical solution to these questions; in my view, the relationship between the enlarged Community and the neutrals must be quite clearly

codified at the same time as enlargement is decided upon and Great Britain, together with the other applicant countries, joins the Community.

That, Mr. Chairman, brings me to the end of my remarks, which concerned a number of points given particular prominence in the reports. (*Applause.*)

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

Mr. Lloyd. — Probably the most useful thing I can do straightaway is to clarify the position of the British member of parliament, such as myself, on the vital question of consultation with the British people on Britain's possible, and now almost certain, accession to the Common Market. My position is simply this: if I have not made up my mind on an issue of this kind I have no right to be in public life; being in public life, I have not made my position absolutely clear to my constituents, then I would be dishonest; being in public life and having made up my mind and having made my position perfectly clear to my constituents in three general elections, I am entitled only to persuade. I am not entitled to consult. There is a vital difference between persuasion and consultation. For me to consult in these circumstances would be a bogus action based on a bogus attitude. That is my fundamental position, and I believe it to be the fundamental position of many British members of parliament.

Consultation implies an open mind, it implies that I can be persuaded otherwise. I put this question to Mr. Judd and those who think like him. If, having consulted his constituents, as he puts it, he finds that, whatever his judgment may be, their judgment differs from his, what will he do, first, in his constituency and, second, in the House of Commons? That is the fundamental question at the root of that essential compromise which is parliamentary democracy, because it is a compromise between two extremes. That is all I will say on that point.

The last volume of the great *Times Atlas of the World* to be published was entitled "South West Asia and Russia". The preface contained these striking words:

> "Somewhere in the regions here surveyed the devout will look for the sight of Paradise Lost in Eden; and here too the dialectical materialist expects an earthly Paradise gained by human contrivance. Between their rival conceptions of where man came from and whither he goes, the cartographer is not concerned or qualified to judge."

Whither he goes is our concern here today. In the past five centuries Europe has probably done more to shape the progress of man—in the view of some, to misshape it—than any previous civilisation. The structure and institutions of Europe are not without their significance, despite the massive presence of the super-powers.

Two weeks ago, or a little more, the Science and Technology Committee of the Council of Europe had the privilege of visiting the Hittite Museum in Ankara. There, in one large building, were accumulated the fascinating remains of seven civilisations —a few trinkets, a few sculptures, a few vases and a deathly silence. I could not help wondering whether, as each of these civilisations approached its doom—and Mr. Judd had a similar point of view—the City Fathers of Ephesus and Tarsus, of Samos and Pergamum, debated the validity and relevance of their political institutions. As each one was swept into oblivion, from which only the archaeologist could rescue it, they must have wondered where they had gone wrong. Doubtless they considered many new forms of empire and rejected them all because their constituents would not tolerate the foreigner.

No one would dispute the importance of structure and institutions, even if all our historical studies have revealed so little knowledge of the relationship between men and their institutions that our most important discovery perhaps is that history is unreliable.

But my concern this afternoon is with another aspect of this problem. I am convinced that the power and significance of institutions, as such, is uniquely related to the criteria which govern

the actions of those who serve them, and it was within that context that I proposed to invite the Joint Assembly to examine one or two directions in which we must change our criteria, if the new institutions of an enlarged Community are to be successful. For we cannot fly political Concordes with the instruments of a Tiger Moth or DC3.

I propose to explore three areas in which I believe the enlarged Community will need to develop new criteria to guide its judgments. The first is in the balance between technology and the environment. The second is in the balance between the individual and the State, and the third is in the balance between present and future generations.

As to technology and the environment, it is fashionable today to decry technology and the consequences of scientific rationality. However, we are highly selective when we do this. We accept Pasteur and Fleming and injections from our dentists. Even hippies use jets to travel from one oasis of rejection to another. But by and large only by coupling technology and scientific rationality with imagination and moral courage has man any chance of escaping from his present dilemmas. It is not the computers, supersonic jets or satellites which should be smashed, but obsolete concepts and criteria. For example, it is a fantastic proposition that war of any kind could contribute anything to solving problems in East Pakistan, Northern Ireland or the Middle East.

We must ask of our technology, therefore, what its side effects are, so that we do not create large-scale thalidomide situations. But the idea of a retreat to a new non-technological rustic simplicity is pure fantasy for the vast mass of mankind in the developed world. Not even the institution of parliamentary democracy can escape this obligation.

I now come to the balance between the individual and the State. This brings right to the foreground of our discussion the question of the enlargement of public responsibility on which Mr. Judd touched. This is largely a function of public demand,

and it has led to an increase in the amount of public power. This has created throughout the community a sense of individual impotence almost as acute within the great democracies as within more authoritarian regimes. In Europe, the effects of the enlargement of the Community will certainly lead to some centralisation of power and inevitably to some aggravation of this condition. Therefore, it is wholly right to say that this should be a central preoccupation.

But should not we study new political techniques for reconciling objectives which require centralisation, uniformity, consistency and regularity with those that can be met only by the dispersion of decision, the diffusion of information and the involvement of individuals? These, as I see it, are fundamental concepts. They are understood by all too few, and it is the duty of politicians to develop them much further. It seems to me that 100 per cent involvement of the public will, of public opinion, is not the aim. We are talking primarily about communication and persuasion. If we ask what percentage of the population of the modern State, the giant corporation, the regional authority, the local authority, is involved in the decision-making process, the answer is probably about .001 per cent. Therefore, let us not be too ambitious, but surely it is not impossible, with modern communications, to shift that one decimal place to the left and by that of course I mean an arithmetical rather than a political shift.

In this the European Parliament clearly has a most vital role to play, not merely, as Mr. Darling suggested in his very interesting report, as a proper authority for all functions wholly delegated by national parliaments but indeed as the proper body to take a view on which areas should and which areas should not be delegated. As the area of delegation grows, the Council of Ministers, as I see it, must look increasingly to European rather than to national parliaments for their authority, their support and their guidance.

It is a fashionable view that legislatures are obsolete, about as significant as the triangle in Beethoven's Ninth Symphony. At

the last meeting of the Assembly when we were having a great debate on the world's economic problems, I discovered only subsquently that 750 of the World Press were attending Mick Jagger's wedding at St. Tropez. Quite clearly the nuptial process has more interest than the political process.

As to the first and fundamental proposition, in the first place it is not true, and what I would say is that any political leader in the United Kingdom who thinks that the House of Commons can be used as a rubber stamp within the next few months will be making the greatest mistake of his life. But, secondly, I would say that the tide has turned in a more fundamental sense. The United States Congress is now equipping itself on a most ambitious scale with a computer system not merely to pay its employees but to give members of Congress access both to federal and to external data banks and sources of information on a scale unparalleled in any parliamentary democracy throughout history. If the European Parliament of an enlarged Community is to speak with the authority which is required, it certainly can do no less. But surely we must prepare to move rapidly towards a situation in which, as the Council of Ministers become wholly involved in European responsibilities, they will be appointed from a European Parliament, derive authority from the European Parliament and be answerable to it. If European Parliamentary institutions remain content to be mock Parliamentary institutions, as they now are, they will mock at democracy and they must expect others to follow their example. Such attitudes render Europe no service worthy of the name of Parliament.

The second point I should like to make is on the need for new criteria for the assessment of socio-economic performance. Mr. Darling has emphasised in his report that the Community as enlarged must certainly not be known as a rich man's club. I see no need for a continent or a country to be ashamed of its wealth provided it is not created at the expense of others. Poverty-stricken continents are no advertisement for the type of society which perpetuates such conditions, but we must look at these criteria in the most fundamental sense.

May I take one which dominates our thinking today, gross national product. Should this not be sustainable gross national product? Should we not attach to every increase in gross national product the question "Is this sustainable?" Will it deplete the mineral resources of mankind intolerably, will it deplete, the environmental resources and the human resources of mankind? On this basis any petroleum dependent projects must surely receive a gamma minus. What percentage of the earth's mineral resources is any generation entitled to destroy or transform irreversibly? We can be prodigal with steel for several millenia, but what about tin, platinum or lead?

Another criterion we must look at very carefully is that of crude unemployment. Surely crude unemployment statistics are almost meaningless today as a guide to social and economic policy. Should we not be beginning to develop a spectrum concept of the effective employment of resources varying from 100 per cent to nil? In the United States only the other day some unions announced that they were going to endeavour to claim a 32-hour four-day week, and good luck to them, but if this is the likely development in the United States today—and it will be in Europe tomorrow—then we are in effect defining a permanent 33 per cent paid unemployment situation. That is one way of looking at exactly the same statistics. But in the computer age when mental and physical drudgery is eliminated, what should our criteria be? Surely they should be much more sophisticated than those which are implicit in any state of satisfaction that 98 per cent of the adult employable population is statistically defined as employed, that is, paid to be in one place behind a pen or lathe rather than another chasing a football or a golf ball? On the other hand, unemployment of any form of trained manpower is both economically and socially much more significant and serious than unemployment of a similar number of untrained personnel.

The misure within industry of skilled but employed manpower may have a much greater effect on gross national product and industrial morale than a much larger amount of crude unemployment as we presently define it.

Finally, my appeal is to members of our evolving Parliamentary institutions to be bold in experiment, to look at the substance rather than the form, not to be dominated by old institutional forms, whether federal or confederal or any other variety, but to seek new ways in which Europe can rediscover its genius, reform its institutions, enlarge the vision of its peoples and guide itself by new and relevant criteria. If we do that, Mr. Chairman, we may yet escape the fate of those whose fragmentary remains pose their perpetual challenge to all of us in the Hittite Museum. (*Applause.*)

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

Mr. Bohman. — Let me, like other speakers, express my congratulations to the four Rapporteurs on their concentrated and yet very thorough reports on the problems of the enlarged European Community. These reports constitute an excellent basis for a debate dedicated, as Mr. Malfatti said, to one of the most important questions of our time.

The events of the last weeks, and especially the conference between the French President and the British Prime Minister, have brought the negociations in Brussels to a stage where today it seems impossible that a breakdown should once again disillusion all of us who look forward to a united Western Europe as a decisive step, not only to economic and social developments, but also to peace and security in Europe and in the whole world.

Against this optimistic background I am sorry to have to admit that I regard as very unfortunate the Swedish Government's conclusion two months ago that Sweden cannot become a Member of the European Community because of the assumed incompatibility with its policy of neutrality.

During the last years' debates in the Assembly of the Council of Europe, I have often, sometimes as an opponent of the former Rapporteur of the Economic Committee, my Norwegian friend, Mr. Petersen, stated that in my opinion there is nothing in the Treaty of Rome that could prevent Sweden from being a full

Member of the Community, provided that Sweden would pursue its traditional non-alliance policy.

Now the Swedish Government have made Mr. Petersen right in his pessimistic views. I dare say, however, that Mr. Petersen, as he is a citizen of one of the Nordic countries, was not entirely happy when he received this message of acknowledgement. Usually we do not wash our domestic linen here in Strasbourg. Nevertheless, I feel it necessary to tell other representatives of European countries here present that the political party I represent —the Conservative Party—does not agree with the Swedish Government's decision in this respect.

In my view, the question of combining membership with a non-alliance policy should have been tested in real negotiations between EEC and Sweden. Not before, but after such negotiations a clear answer could have been given from both sides as to what is possible and what is not in the Swedish case. By my government's decision last March this way is no longer open. Once again, however, it has to be underlined that Sweden's neutral policy cannot be compared with that of other neutrals. Our neutrality, as Mr. Frydenlund has pointed out, is a self-imposed status. It is not inscribed in the Swedish constitution nor dependent on State agreements. The Swedish Parliament has rejected communist proposals to define in detail its purport, because such a definition could restrain our freedom of action and political considerations.

One condition for our non-alliance policy aiming at neutrality in war is that it seems credible to other States concerned. My compatriot, Mr. Björk, mentioned this precondition. Thus one of the cornerstones of our foreign policy is to observe this credibility, not least in the eyes of the big powers. Of course, there are risks connected with such a policy of credibility. Carried too far it could tempt other States to blackmail Sweden in order to prevent it from taking steps contrary to their interests; and I do not totally accept Mr. Björk's interpretation in this respect. The situation of the world is changing, and so are the relations between

the big powers. This demands a certain degree of flexibility in foreign policy. It is thus up to Sweden itself to define its policy in relation to the various political situations which may arise.

Consequently, we are not willing to become a member of any treaty with other countries or blocs of countries which would considerably limit our freedom of action in the foreign policy field. In other words, we are not able to assume any responsibilities which could prevent us from keeping or make it difficult for us to keep outside military conflicts. Thus, Sweden cannot take part in any co-operation directed against other States.

Needless to say, military co-operation is not possible. As to co-operation in the foreign policy field, Sweden has found it possible to participate in the work of the Committee of Ministers within the Council of Europe. This co-operation has not been considered incompatible with our non-alliance policy.

Taking all these aspects of the Swedish non-alliance policy into account, I have personally come to the conclusion that Sweden would have had a fair chance to negotiate successfully for full membership in the Community. Unfortunately, my government have come to the opposite conclusion. In this context, like my compatriot Mr. Björk, I have found extremely interesting that part of Mr. Darling's report where in paragraph 11 it asks whether, further ahead, the EFTA neutrals will continue to reject full membership of an enlarged Community. His points of view are so interesting that it would have been worthwile to quote them once again here, but I will not do so because we are short of time.

In his interesting speech this morning Mr. Darling underlined the conclusions of his report and, according to him, the consequences of the enlarged Communities might one day lead "these countries to conclude that their own economic (and even their political) interests would be better served if they were full Members of the Community with a say in the decision-making processes". I have referred to Mr. Darling because he has presented

what seems to me to be a very realistic aspect of the European integration work and of its influence on the so-called neutrals. Even in this respect there are shades of opinion between Mr. Björk and me.

The Swedish Government, however, have now taken their decision. It is for the present a political fact. We all have to make the best of it; and I wish to underline that Sweden has declared its firm interest in as comprehensive, close and durable relations as possible with EEC.

Some of those present heard a month ago the Swedish Minister without Portfolio, Mr. Carl Lidbom, speak here before the Consultative Assembly.

In his speech he emphasised that

> "Sweden wishes to make a contribution to European integration and believes that she can do so. It is the Swedish Government's desire that the negotiations to be started with the Communities should lead to the conclusion of a broad agreement within the framework of which all obstacles to trade in industrial and agricultural products between Sweden and EEC will be removed."

Mr. Lidbom concluded his speech to the Assembly with these words:

> "For geographical, historical and cultural reasons Sweden has close links with the nations belonging to the Communities. We have built our society on the same democratic principles as have the other countries in Western Europe. The active part we have played in European co-operation since the war shows how we wish to strengthen those links and ensure that common ideals and principles are upheld."

I totally agree with Mr. Lidbom and I hope that the coming negotiations in Brussels will lead to such a result that the non-aligned and neutral States will reach the most appropriate and close co-operation with the rest of Europe, in accordance with their various political conditions.

In my opinion, Article 238 of the Treaty of Rome on association opens a very wide door to close relationship between Europe and Sweden. Even if my country for political reasons has found it impossible to accept full membership, it has declared its desire and hope to co-operate closely over a broad field covering nearly all kinds of activities which have hitherto been exerted in the Communities. As far as I can see, there it nothing in the Treaty of Rome, nor in the decisions made by the Communities, to prevent Sweden from applying for adhesion to EEC, according to Article 238. In fact, Sweden in 1962 formally asked for association, and repeated its application in 1967.

Even if the EEC Commission has bound certain restrictions to the application of Article 238 concerning countries with highly developed industry, there is, as I have mentioned, nothing in the Treaty of Rome itself on which such an interpretation can be based. For an industrial country ready to accept European integration up to, let me say, 98 per cent, Article 238 seems to present the best ways and means to solve our common problems.

Let me conclude by saying that obviously it is in the interests of the enlarged Community to accept Sweden as a close partner in the work of European integration, as the four Rapporteurs point out in their reports. Another Consultative Assembly has earlier underlined that there must not be new trade or other barriers in Europe through the enlargement of EEC. The fruitful results of the EFTA co-operation, or in the field of the Nordic market, must not be destroyed.

Therefore it is in the interests not only of Sweden that the future negotiations should lead to a close association of my country with the new Europe which is now developing before our eyes

and in our hearts. Even from the political point of view, it must be regarded as a common Western European interest that Sweden can combine a growing economic co-operation with the Communities with its non-aligned foreign policy.

I am convinced that most politicians in Europe will agree with me when I state that the independent foreign policy of my country has contributed to the obvious détente in the northern part of Europe which has been to the benefit of the whole of Europe. Thus it must be of common interest that this policy can be conducted even in a Europe where Sweden plays its role as a real partner in an enlarged European market—a partner in a European solidarity contributing to peace, economic and social development, and cultural progress all over the world. (*Applause.*)

The Chairman (*F*). — I call Mr. D'Angelosante.

Mr. D'Anglosante (*I*). — Mr. Chairman, this Assembly is meeting at a time when the subject up for discussion is one of great current interest, with obvious practical implications. It can thus be regarded as a good opportunity to discuss, seriously, which means with a deep sense of political realism, the very real problems facing us today.

What form can the enlarged Community take, and what can its function be in Europe? The answers, if they are to be any more than meaningless predictions from the book of dreams, which all too many people prefer to real life, must be based on what the Community is like now. There are three recent developments enabling us to express a consistent opinion on this point: first, the complete separation of the debate on enlargement from the debate on the completion and strengthening of the Community. In the course of the discussion on the entry of Britain and the other three countries, it has become apparent that the three key points of The Hague (enlargement, completion, strengthening) have not been in operation.

Second: the manner in which negotiations have been conducted. In Brussels on 28 May we discussed a joint report by the Political Affairs Committee and the Committee on External Trade Relations. It was then that Mr. Deniau, who is the member of the Commission chiefly responsible for the enlargement negotiations, said that the basis for negotiations had been the acceptance by the applicant countries of the Treaty and the decisions ensuing from it. There had been discussion only on negative or disputed points, and, said Mr. Deniau, there had been no talk of the future. Perhaps it is because the future has not been discussed at the negotiations that we are talking about it today. In any case, on the controversial issues there has been and will be no detailed, specific, point-by-point agreement, but only general agreements indicating the will of the Contracting Parties to solve these problems using a specific method but not in a specific way; this is so even with the most fundamental questions (the British contribution to the EAGGF, relations with the associated African countries, agreements with Commonwealth countries, the sugar problem, and relations with New Zealand).

We gain the impression, from what we are told, that there has been no more than a politically effective expression of the Parties' willingness to take each other's situations and interests into account, but, as I said before, no detailed settlement has yet been reached.

One consequence of this is that the practical solution of these problems is essentially deferred until future negotiations, to be held after enlargement has taken place. This in turn means that it will be necessary in the future, together with the countries joining the Community—the most important being the United Kingdom—to undergo lengthy, continuous negotiations to settle all those questions not settled during the negotiations on entry, including those which, according to Mr. Deniau, are already on the credit side, namely the acceptance of the Treaty and ensuing decisions—including the problem of institutions—about which nothing has been said so far. If all this still remains to be done, the enlarged Community will be entering a period of further

accentuation of what has been of late, and not just of late, its dominant characteristic—continuous negotiations in the Council of Ministers between the various countries and national positions, and the compromises these negotiations generally produce.

This practice, as I have said, will continue and be accentuated, so that we can see a trend towards further erosion of the functions of other Community institutions. We cannot delude ourselves that the European Parliament has ever played anything but a very feeble part in our Community, and even this has been gradually weakened still further by the overwhelming predominance of the decisions and powers of the Council of Ministers, which is contrary to the letter and spirit of the Treaty of Rome. We have also witnessed a steady erosion of the powers of the Commission, because the institutional framework laid down in the Treaty has not worked, and instead of normative decisions by a majority we have had, basically, continuous negotiations for separate agreements on separate issues.

If we wish at this stage to observe a minimum measure of political realism instead of going on hiding behind speeches of rather limited meaning, we can only conclude that the institutional framework laid down in the Treaty of Rome has been almost if not entirely superseded.

Well, what is to be done? We could do our duty in making a contribution commensurate with the importance of the subject if only we were able to speak seriously about institutions, but in reality we have not yet had any cues to enable us to discuss this matter effectively. We are all aware that in politics, as in history, exorcism solves no problems, nor do loose words which obscure the real situation, veiling it from the people, and thus playing a basically anti-democratic role.

The third factor is the event which marked the turning-point in the negotiations: the recent meeting between the President of the French Republic and the British Prime Minister. It is a well-known, I might even say notorious, fact that the opportunity

for this meeting was furnished by the monetary dispute which was then in progress and is still unresolved, and by the need perceived by the French President for a new balance in the face of the conflicts in that connection. This desire to restore the balance must be seen as typical of relations between States and entirely alien to a Community approach to the problems.

This is indeed borne out by the British Prime Minister's speech in the House of Commons, in which he referred to the successful outcome of his meeting with the French President and spoke of an intergovernmental agreement, in other words an agreement between States. In future, then—and this is the first conclusion to which we are driven—we shall see an increase in the already predominant power of the governments, entailing, as in the past, the overwhelming representation of certain interest groups and a further weakening of social impetus, a weakening of the workers' forces at national level in the face of giant companies operating over wider territory, as well as an erosion of democracy in the processes of legislation and control.

It is this state of affairs that we must take as our starting-point, in order to change it if we wish, bearing in mind, for instance, that if democratic control is not feasible at Community level, we must defend it at national level with all the means at our disposal. The workers' interests are not guaranteed merely by virtue of the Social Fund.

Their interests are defended by preventing the uncontrolled development of the giant companies, and by recognising real trade union power, without discriminating against the political forces in which the working class finds expression.

When delivering his valuable report this morning, Mr. Darling raised the problem of foreign investments in the Community. This is a very serious problem, and I am glad it was raised by the Rapporteur, because we, too, have repeatedly stressed its importance. It has hitherto been impossible to have any serious discussion on this problem, and yet we cannot fail to observe that foreign

firms—and especially American firms—have benefited from considerable protection. The Community's regional policy, for example, has been under discussion for some time, for about a year, and we are all aware that neither the Council of Ministers nor the Commission has ever had any intention so far of abandoning the restrictive interpretation of Articles 92, 93 and 94 of the Treaty of Rome precluding aid by member States likely to distort competition; we are also aware that American firms are granted treatment by individual States—with the compliance of the Community —which seriously contravenes the rules of competition in fiscal matters, taxes and the import of equipment. And, even more serious, the Community, whose very basis is free trade, puts up with the fact that American firms in Europe are prevented by their parent companies from re-exporting to America what has been produced in Europe.

These are serious and difficult problems, and the fact that Mr. Darling drew attention this morning to the need for control is a highly significant step which we welcome in the hope that something may at last be done.

As regards the future Community's external relations, again taking as our starting-point what has been done so far, it is essential, if we wish the enlarged Community to perform that peace-making role to which many previous speakers have referred, to settle the matter of our relations with the Socialist countries; we must settle, first and foremost, the problem of tariff and trade discrimination against these countries.

Mr. Chairman, once the four countries have actually joined the Community and once a customs agreement with the EFTA countries has been concluded, as envisaged in the negotiations so far, the ensuing situation will be that the common external tariff, the Community's customs barrier, will form an insuperable wall only for the Socialist countries. Such a tariff might well be called "the tariff against State-trading countries". Similarly we have observed in the past, as well as on one recent occasion, that the

Community's measures for facilitating free trade have been applied to all but the Socialist countries. Now these countries, whatever we may think of their internal regimes, are the main parties with whom we have to discuss a policy of peace; and it profits no one, it is not good politics and not common sense, even with the prospect of present and future enlargement, to envisage, in connection with NATO, extremist entrenchment in an Atlantic position vis-à-vis the Socialist countries. We have all read the Lisbon communiqué, the NATO countries' reply to the Socialist countries, and were all gladdened by its new language and the new hope it opened up for the peoples. Is it conceivable, then, that within the Community the old language typical of the years before 1948 should still persist, together with this fundamentally discriminatory practice? May I, in this connection, make one comment to Mr. Giraudo on his speech this morning. He was the only one (at least in the written reports) to persist in demanding de jure recognition by the Soviet Union and the Socialist countries. If it were possible to talk lightly in a serious setting such as this, I should ask Mr. Giraudo to what *jus,* to what right, he is referring, since the law on which this Community is founded is virtually non-existent, since, apart from one or two points laid down in detail in the Treaty, the Community is founded on practice, on a changeable and accidental de facto situation. I fail to see why the Soviet Union need be asked to give it formal recognition, which has considerable political significance, and which amounts to a preliminary condition of a political nature, at a time when de jure recognition of the Community is still contested by the member States themselves.

Secondly, I should like to say a few words (especially since this subject has already been raised by previous speakers) on our relations with countries under fascist regimes. It is a serious problem, and the Community and this Parliament cannot persist in feigning ignorance on the pretext that it is a technical one.

We have discussed today and shall continue discussing tomorrow in this Chamber the problem of generalised preferences. There are already some who are anxious to see how these preferences can be extended to Spain, Turkey and Greece.

Two years ago in this Parliament we adopted a decision, which has been respected so far, to freeze, *rebus sic stantibus,* the situation as regards association with Greece.

News has reached me today (and I can only hope it is not true) that one of the most important groups in this Assembly, which by its political nature could have guaranteed the maintenance of this position, is now preparing to change it. Sooner or later we shall have to abandon a kind of commercial neutrality in order to achieve clear political positions, and we shall then see whether the preamble about the political nature of the Community, about the free countries etc., should not be applied mainly to countries under fascist regimes rather than to the Socialist countries.

As regards our future relations with the under-developed countries, the first problem that arises is a general one, the generalised preferences. It seems that the Community is to introduce, from 1 July, a system of generalised preferences which the United States of America has already declined to accept and which, it seems, will not be accepted even by Great Britain, at least during the transitional period.

This brings up the problem of difference of status, which we must weigh up and from which we must draw certain conclusions concerning the associated countries with which the Community has made a number of highly serious commitments, and with which—by the way—the Community character of the European partner of the Association should be reaffirmed once and for all, overcoming once and for all the de facto situation whereby one of the member countries of the Community is favoured in relations with the associated countries. However, it is not of this that I wish to speak. What I want to point out is that, even going by what emerged from the meeting of the EEC-AASM Joint Committee in Munich last week, nothing clear or specific has yet been decided as regards our relations with the associated countries or the relations of an enlarged Community with the African Commonwealth countries and with other countries. Here, too, we must confirm the great importance of the legal framework and the need

to develop the political framework, but we must also state frankly that the problem at this stage is far from clear and far from settled. We were faced with a strange situation in Munich last week: in one report it was said that the Council of Ministers confirmed the need to defend the acquired rights of the associated countries, whilst it was also said in various quarters within the Council of Ministers that no such undertaking had ever been made, but that this sentence was to be found in the final communiqué issued after the meeting between the French President and the British Prime Minister.

Finally, the most important point of all: our relations with the United States. I say the most important point because in the economic field these relations are becoming daily more crucial; as already pointed out by Mr. Barre, Vice-President of the Commission, at the last session of the European Parliament in Luxembourg, immediate careful decisions by the Community are essential on this issue. These economic relations are interlinked and intertwined with political relations, on which no clear, coherent, interrelated view has yet been achieved.

We are now in the midst of an increasingly serious monetary dispute with the United States, in which the United States do not agree that Europe should refuse *sic et simpliciter* to pay for the consequences of its balance-of-payments instability; they do not agree to this for political reasons, namely the United States' contribution to the defence of the so-called free world.

We are faced with a serious trade dispute which, to my mind, opens up a special phase in world economic relations, namely the struggle for markets within the capitalist system itself. But in the United States there is no sign of the positive approach to the problem of trade relations that many of us have so far hoped to see.

Only yesterday the American Secretary of State, Mr. Rogers, speaking at OECD, could do no more than propose the setting up of a special committee to consider the obstacles to trade relations between Europe and the United States and regarded the common

agricultural policy as one of the obstacles to normal trade relations.

This is a very serious matter which, as we know, has been with us for some time, and which we have not yet succeeded in answering, because, for one thing, there are many representatives in our Parliament who feel that due consideration should be given to American anxieties concerning the European agricultural policy. But, sooner or later, something clear will have to be said about this matter, and it is against the background of problems such as these that we can speak of the role of an enlarged Community in the European context.

Mr. Chairman, in conclusion I should like to recall that Europe's present make-up should endow it with the function of safeguarding peace and not of accentuating the division into blocs. We are in favour of the disappearance of all blocs and the end of all agreements that foster the danger of war or stem directly from war situations.

Europe today has a great opportunity, which, as I said before, in connection with the Lisbon meeting, seems about to be taken up. This opportunity is the Soviet Union's proposed European Security Conference, which affects us all very closely. It may be said that we ourselves, the Community as it is and will be, are the subjects of such a conference and will be discussed there. We, too, must have something to say about this. We must give up certain out-dated ways of talking which, according to some of us, especially in the past, saw the Community as the secular and economic arm of NATO.

To be optimistic, it can be said that good may come of the new developments. Good will come if we are able to assess the situation for what it is and for what some of us would like it to be, and to work on this situation in order to change it not for the benefit of giant companies but for the benefit of the people, the workers, and for the peace of our continent. (*Applause.*)

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

Mr. Jahn (*G*). — Mr. Chairman, Ladies and Gentlemen, the devil usually catches the hindmost. I hope I shall thwart him by being brief. I should like to comment on just two problems: first, relations with the States of the Eastern bloc, and second, the institutions and structures.

The relationship with the States of the Eastern bloc is discussed in the reports drafted by our colleagues Mr. Giraudo, Mr. de la Malène, Mr. Darling and Mr. Frydenlund. Mr. Malfatti also mentioned this problem. The desire is expressed for improved economic and political relations between EEC and the Eastern States. In itself, this is a demand with which no one would wish to quarrel. But how do things stand at present? I am very glad to have this opportunity of discussing the matter.

Careful scrutiny reveals that to date there has been no indication from the Soviet Union—in fact its daily propaganda reveals exactly the opposite—that it is prepared to recognise EEC as an economic alliance, let alone as a political one. It simply does not fit the Soviet concept of Europe. If we feel able to recognise different social structures, such recognition must be reciprocal. In this age of political realism, as we are always describing it, if we respect COMECON then we should be able to expect EEC also to be recognised as an institution. Any bilateral trade relations which we as member States have with the Soviet Union must—and this has been revealed in many contributions to today's debate—be complemented, not to say strengthened by the foreign trade policy of the European Community. Co-ordination and co-operation are necessary in the field of foreign trade policy, and here I agree with my colleague Mr. Cantalupo when he says that we must act in unison. Lord Gladwyn is right when he says that, in loyalty to the democratic principles we have pursued to date, we cannot conclude treaties of association or preferential arrangements with States in the Eastern bloc. The policy we pursue in our foreign trade and in our economic relations with the Eastern bloc must and should lead to a normalisation of relations in the economic

field, and gradually in the foreign policy field. But as a precondition for this, we must co-ordinate the overseas trading arrangements of the various industries in the countries of Europe, which are played off against one another in different sectors to such a point that they can hardly compete with each other.

The aim of our Treaty is directed towards the political goal of the unification of the democratic States. Our philosophy is unequivocal; and it has been stated by our former President, Mr. Scelba. We remain bound by it—I believe this needs to be mentioned here—whatever enlargements, associations and preferential treaties are envisaged, and not only in Europe but beyond it, in Africa and wherever we may conclude treaties in the future. Our aim must be to give the people of Europe freedom, peace, security and justice—that is what the Treaty says, and that is what Mr. Scelba emphasised again today. This too is the basis for the normalisation of our foreign trading and economic relations with the Soviet Union.

I turn now to the institutions. Mr. de la Malène stated—and I quote, with the Chairman's permission: "The preparation by the Community of a coherent strategy for its development in Europe and the world is an urgent necessity and a prerequisite for shaping the future"; and he goes on to say that he regards it as essential "to equip the enlarged Community with structures capable of allowing it to play its rightful part".

We have had a great deal of discussion in recent times about institutions and structures. I think we should summarise the situation once again, as follows: The first institution of the Community is this very Parliament. To endow this Parliament with authority in the sense of new legislative powers is a priority task in terms of the strengthening of the institutions. The demand we must make emphatically—and it is also the demand made by our British colleagues today, to the great delight of us all—is for general, direct elections on the same conditions and at the same time in all countries.

I believe we should beware of using our own national electoral legislation to build a European Parliament which could exercise no function whatever because it would have no common basis.

Now, what of the Commission? A variety of things has been said about it today. What are its responsibilities to be in future? Should they be extended to the scale of government powers? I think they should. Many other members agree with me on this. But we know what the proposals are; they have been discussed here. There are different views on this even within our own ranks. It is suggested that Ministers for Europe might be appointed in national cabinets, who would then have a sort of co-ordinating role to play. The Commission and the Council do not see eye to eye on this at the present time. We do not want permanent representatives acting as so-called deputy governments or delegate governments. This has also been mooted recently, and we know on what political considerations the idea is based.

There are others who are convinced that a confederation is the way to Europe. But what we want—and I think we should say so —is a European federation, European unity and political unity, and not new institutions, not new structures, but something built according to the principles which have so far held good in democratic government in all the States which are united within the Community; a rational order aiming to promote and strengthen the classical democratic institutions in our Community to a point where we become a genuinely efficacious parliament with powers of control which will enable us to do full justice to the common ideal to which the Treaty binds us. (*Applause.*)

The Chairman (*F*). — We have come to the end of the list of speakers. Mr. Frydenlund has had to leave in order to catch the seven o'clock plane for Copenhagen, and has asked me to present his apologies.

I see that Mr. Darling and Mr. de la Malène are not present.

I call Mr. Giraudo to speak in his capacity as Rapporteur.

Mr. Giraudo, *Rapporteur* (*I*). — It only remains for me to express my satisfaction at the debate that has just taken place on the four reports presented this morning. The debate has been forceful and varied, and has once again underlined the confidence and hope, felt both in the European Parliament and in the Council of Europe Consultative Assembly, that Europe will at last make more speedy progress towards its destination, which is unity.

I should like to make just one comment, Mr. Chairman, to Mr. D'Angelosante. I am sorry that he is not here just now. I should like to say—and Mr. Jahn has already pointed out—that when we expect the Soviet Union to accept EEC we are merely asking for an act of political realism by the Soviet Union. What is there cannot be denied, and the European Community does indeed exist. Its importance and its influence on economic relations, trade relations and political life are very real.

Thus there is, for our part, no discrimination against the Eastern European countries, as has been maintained. If anything, the discrimination comes from the other side. In any case, in the new climate which is now being created, we hope that new opportunities really will be opened up and that talks, including talks with the countries of Eastern Europe, may prove possible in order to achieve collaboration between the peoples of Europe and the peoples of other continents purely for the purpose of bringing about peace on earth and with peace, progress.
(*Applause.*)

The Chairman (*F*). — Do either the President or the Vice-President of the Commission of the European Communities wish to speak?...

Mr. Barre, *Vice-President of the Commission of the European Communities* (*F*). — No, Mr. Chairman.

3. *Closure of the Joint Meeting*

The Chairman (*F*). — In that case, we have come to the end of our exchange of views, and I declare the 18th Joint Meeting of members of the Consultative Assembly of the Council of Europe and members of the European Parliament closed.

The Sitting is closed.

(*The Sitting was closed at 7 p.m.*)