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P a r t     I

DEVELOPMENT OF EUROPEAN INTEGRATION

I. GENERAL PROBLEMS

Chronological summary

- 10-12 July: Congress of the CSU (Christian Social Union) Party in Munich. Speech by Federal Chancellor Erhard on the Government's European and foreign policy.
- 22 July: Statement by Mr. Werner, Prime Minister and Foreign Minister of Luxembourg, on behalf of his Government.
- 23 July: General de Gaulle's Press conference.
- 24 July: Point of view of the Federal Government concerning General de Gaulle's Conference.

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1. Community law to take precedence over internal law

Following the nationalization of electricity production and distribution in Italy, the Court of Justice of the Communities gave a ruling on 15 July in response to a request for an interpretation of the EEC Treaty. Special importance attaches to this ruling in that it defines how Community law stands in relation to the domestic law of the member countries. The Court stated first that under the terms of Article 177, the domestic courts against whose decisions there is no possibility of appeal, are bound to refer the matter to the Court for a preliminary ruling concerning the interpretation of the Treaty where any such question is raised before them.

The Court then stated that in contrast to normal international treaties, the EEC Treaty established its own legal

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dispensation, which was integrated with the legal systems of the Member States when the Treaty came into force and became binding on their courts. Indeed, by establishing for an indefinite period a Community with its own institutions, its own legal competency and status, having the right to international representation and, in particular, endowed with real powers acquired through a restriction of the prerogative of the states or a transfer of their powers to the Community, the states have limited - although in restricted fields - their sovereign rights, thus creating a body of law applicable to their nationals and to themselves. This integration, within the law of each member country, of provisions emanating from a Community source and, in a wider sense, from the spirit and letter of the Treaty, has as its concomitant the inability of the states, in opposition to a legal dispensation they have accepted on a basis of reciprocity, successfully to introduce any subsequent unilateral measure - the latter being unable to take precedence. Community law cannot indeed be allowed to vary in its powers of application from one state to another in deference to subsequent domestic legislation without seriously threatening the aims of the Treaty and causing discriminations banned by the Treaty.

The obligations contracted under the Treaty would not be unconditional but only contingent if they could be subject to re-examination as a result of subsequent acts of law of the signatories. Where the right for the states to act unilaterally is acknowledged, this is by virtue of a specific and precise clause. Furthermore, requests by the states for exemptions are subject to an authorization procedure that would have no purpose if the states were able to contract out of their obligations by means of a simple law.

That Community law takes precedence is confirmed by Article 189 of the EEC Treaty (the regulations shall be binding and directly applicable in each Member State). Article 189 contains no reservation and would have no effect if a state were able unilaterally to make it inoperative by an act of law demurrable to the Community texts.

It follows from all these factors that since the law initiated by the Treaty emanates from an independent source it cannot, because of its original specific nature, be legally challenged by any domestic ruling whatsoever without thereby losing its Community character and without calling in question the legal basis of the Community itself. Thus, the transfer of rights and obligations in conformity with the provisions of the Treaty that the States made from their domestic legal system to the benefit of the Community legal system involves a final restriction of their sovereign rights, over which no subsequent

unilateral act incompatible with the idea of the Community can take precedence.

(Court of Justice - Ruling of 15.7.1964 - Case 6/64)

2. Parliamentary democracy and international and supranational co-operation

1. The curtailment of a state's freedom of action does but reflect a curtailment of the influence exerted by its parliament

Governments tend to play a more significant part than parliaments in all forms of international co-operation. The reason is that such co-operation impinges on foreign policy, in terms closely linked with the policy of other states, where it is not - and it often is - a counter measure to action taken by other states; it is constantly being modified in line with changes in the international balance of power.

This makes it difficult both to ascertain beforehand what course should be followed and to assess after the event the policy in fact followed, for circumstances are not conducive to the exercise by parliaments of the right to obtain information and pass judgement.

As international co-operation increases and becomes organized on a permanent basis, that is within international organizations, the curtailment of the influence of parliament becomes ever more sharply felt. The governments, on the other hand, become increasingly free to act independently of parliaments; this in turn may well coincide with - and may even result in - a restriction of the freedom of action of the governments at the international level.

2. The curtailment of national sovereignty

From the strictly legal point of view this curtailment of national sovereignty, as a result of a state's membership of international organizations of the conventional intergovernmental type, is imperceptible. In practical terms, however, this is not

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the case. In view of the obligation to find solutions by co-operation to a growing number of problems that can no longer satisfactorily be dealt with at the national level, the states have not only to bear in mind each others' basic policies to reach agreement but to defer much more than in the past to pressures of every kind - and which go two ways. This means that at times it is no longer in their power to take decisions as sovereign states.

In bilateral relations between states, recourse to pressure has become one of the everyday tools of diplomacy, varying in effect from persuasion to intimidation; in multilateral relations, at conferences and congresses and especially in the international organizations for permanent co-operation, strong pressures are in evidence, being exerted collectively and often with subtlety.

The ability to exert pressure collectively is often deliberately aggravated in terms of its effects through procedural regulations such as the control to ensure that Member States have carried out their commitments, the obligation to submit reports and the debates held in public on what emerges from an objective study by experts of such reports (ILO), as also of the annual reports of the OECD and NATO; these allow for lively and frank discussions on the policies of Member States by a committee comprising representatives of partner states; and there are other similar ways of exerting pressure collectively. The most obvious type of collective pressure is a recommendation that has been adopted by a given majority and that is not directly legally binding on the states.

Collective pressure is an imperfect but not always inadequate substitute for the supranational authority that the organization lacks, while ostensibly respecting the sovereignty of the Member States. There is a danger, however, that may be arbitrary and that there may be a misuse of power.

A balance of power between the major Member States or between groups of Member States may provide a guarantee against intergovernmental organizations becoming arbitrary. But coupled with this essentially delicate balance are the legal rules that specify both the scope of these organizations and their general policy. The fact that they include extragovernmental and neutral pockets of influence tends to make them more objective and disinterested in the line they take.

3. The position of national parliaments

Co-operation between states has grown to the point where an increasing number of questions end up by falling permanently within the province of foreign policy and thus remain beyond the scope of normal national parliamentary democracy. The resulting transfer of powers in which the parliament loses and the government gains might be rationalized legally if constitutional law made a distinction between international treaties and the binding decisions taken by international organizations and only providing for parliamentary intervention in the first case. With regard to the binding decisions, parliament is faced with an accomplished fact even if it exercises subsequent control over government policy. Indeed, undertakings given can only be rescinded by the international organization and even international treaties that require parliament's approval or ratification before they can come into force leave the parliament only with the right of veto. This creates a particularly delicate situation where the treaties concern questions that have by long established practice always been the province of national legislation.

Such a development may also lead to a serious loss of prestige for the national parliaments.

4. Responsibility for elaborating and implementing the policy of international organizations

In an international organization of the conventional type, the question of how democratic policies are worked out and implemented is likewise beyond the scope of an internal problem of public law and home policy since it is usually impossible to assess or apportion the elements of national responsibility. What emerges as a result of collective pressure is that the "general will" of the organization never stems from perfect unanimity and is indeed sometimes in conflict with what one or more members actually want even if, as is usually the case, their approval appears spontaneous. In an international organization, the work of elaborating and implementing policy is not and cannot be directly subjected to the control of an inter-parliamentary body. The members of these organizations are in fact the states represented by their governments, each of which bears the responsibility for its policy at the national level but cannot be called to account at the national level without endangering the unity of the political system.



The value of the parliamentary bodies of certain regional organizations set up in Europe after the war therefore lies mainly in the fact that they enable national parliaments quite independently to obtain an accurate view of matters of international policy. No doubt these inter-parliamentary bodies exert a collective pressure in these organizations and this may take the form of opinions and recommendations but - and this is understandable - this pressure generally carries little weight.

Thus, the conventional pattern of international co-operation does not appear to be very satisfactory from a democratic point of view, even though close co-operation between parliaments and measures taken by inter-parliamentary bodies are such as to attenuate this problem.

#### 5. Parliamentary and democratic factors in the ECSC

As a result of the High Authority's obligation to give an account of its activities to the European Parliament, relations have been established between these two bodies that appear to show a wide degree of similarity with relations that exist between a government and a parliament. The High Authority does not in fact exercise its powers independently (hence the discussions caused by the "negotiated decisions") and the Parliament to a large extent occupies the position of a national parliament in regard to the foreign policy of its government. Indeed, the High Authority discusses decisions that it has to take with the governments represented on the Council in exactly the same way as a government normally confers with its partners on intergovernmental organizations. The influence of parliament on the common policy does not go beyond the extent to which the High Authority succeeds in pursuing an independent policy. The basis of this influence is in any case not very sound, for the arrangements for designating members of the High Authority do not in advance guarantee any unity of views between the Executive and the Parliament and recourse to a censure motion is quite exceptional.

There does not, however, appear any need to sound the alarm in regard to the parliamentary and democratic factors in the ECSC if one bears in mind the restrictions imposed by the normative character of the Treaty on the political freedom of this Community. If it is remembered that the powers of the High Authority are essentially administrative, it will be clear that the principles of democracy are in even less danger in the ECSC than in certain national administrative sectors. The policy of

the Community is subject to a reasonable minimum control exercised by a parliamentary body and those who are subject to it are regularly consulted and they also have a guarantee of adequate legal protection.

6. Political responsibility in the EEC

However, the fact that in the European Economic Community the influence of Parliament, whether European or national, is on the whole and almost without exception as restricted as is the case with the ECSC gives rise to concern. The freedom of action accorded to the Council and the Executive Commission within the framework of the Economic Community is so wide in certain instances that it is almost impossible now to speak of giving concrete form to the obligations laid down by the Treaty. In regard to agricultural, commercial and transport policy in particular the institutions weigh up the various interests involved as they think fit. This goes much further than the kind of administrative activity devolving from the ECSC Treaty. It involves activities that are essentially legislative and governmental that strongly affect conditions in the Member States and their legislations.

The division of powers between the Council and the Commission of the EEC makes the lack of democratic structure even more delicate.

a) Division of powers between the Council and the Commission of the EEC

The Council decides on the policy to be pursued but generally does so on the basis of a proposal by the EEC Commission which is therefore in a position to exert a considerable influence especially since the Council cannot pass Commission proposals except by a unanimous vote. This point is very important because at the end of the transition period the Council will be able to take decisions by a qualified majority and no longer, as previously, by a unanimous vote. The power of decision accruing to the EEC Commission concerns in most cases the task incumbent on it to ensure that the provisions of the Treaty are respected. Furthermore, the Council may confer on it powers to execute the rules that it establishes.

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The Council therefore has the last word in practice on all those matters that have a political bearing.

### b) Community and national provisions for parliamentary control

The EEC Commission is at all times responsible to the Community for the decisions taken by the majority of the Council on the basis of a proposal it has submitted since the decision has in fact been in line with its proposal. With regard to decisions unanimously adopted by the Council, whether these be on the basis of a Commission proposal or not, it goes without saying that it is the national governments that are responsible to their parliaments. If such a decision is in conformity with the texts submitted by the EEC Commission, the latter may also be called upon to give an account thereof to the European Parliament.

This well thought out system is not, however, without its weaknesses; indeed, in a certain number of cases the Council may take decisions by a qualified majority quite independently of any formal proposal from the EEC Commission. The most obvious instance of this is the Community budget, that has to provide the finance for the new European Agricultural Fund, which in turn will be called upon to pay out considerable sums to finance the agricultural policy of the Community. In practice parliamentary control comes up against the secrecy of Council deliberations. Because of this, it is usually impossible to check to what degree its proposals are taken into account before the Council has taken a decision, when in fact it is just such a check that would be of value from the point of view of Community supervision. Furthermore, where the Council is able to take decisions by a majority vote, the way Council members have voted is not known and this impairs the ability of the national parliaments to exercise any control.

The obligation to observe secrecy as laid down in the Council's rules of procedure cannot, however, and must not impede the normal national and Community parliamentary control procedure that stems from a system established by the Treaty. From a parliamentary and democratic point of view one overriding need is for a minimum of public information that would enable one to establish where the responsibility lay, especially since quite soon the Council will be able to take decisions of appreciable importance by a qualified majority.

Since the Council is not obliged to account for its decisions to the European Parliament, the latter can only apply to

the EEC Commission which can bring its proposal into line with the opinion of the Parliament and thus give it greater weight. It is therefore essential that the final EEC Commission proposal be made known, for there is no doubt that the Executive must give an account of its decision to adopt or ignore the opinion of the Parliament.

c) Participation of the European Parliament in working out a common policy

Even if it is not possible to ascertain where the responsibility lies, the participation of the European Parliament in working out the common policy will continue to lack proper foundations and will be ineffective, for as is the case with the High Authority, there is no real political solidarity between the members of the EEC Commission and the majority in the European Parliament; for the latter, the policy pursued by the Executive in the Council of Ministers is an external policy.

d) Opportunities for making the Community more democratic

This problem can only be satisfactorily solved by strengthening the federal factor in the Communities, that is by broadening the powers both of the EEC Commission and the European Parliament. Appreciable progress could, however, be made without any formal extension of these powers. At the national level too, it has been mainly through the modification of the machinery for exercising constitutional powers that the parliamentary system has evolved. In general the nature and extent of these powers have been respected at least in the formal sense.

The influence of the European Parliament on Community policy could be increased along these lines, even without involving any one of the six governments, on two main points:

- Firstly, the five governments could give an undertaking to their parliaments that they would only support candidates for the Executive Commission that had, for example, the support of a two-thirds majority in the European Parliament - by agreement with the latter.

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In this way a political link would be forged between the European Parliament and at least seven members of the Executive Commission and this would increase the solidarity of the two institutions.

- Secondly, the five governments could give to their parliaments an assurance that they would together decide to adopt any amendments to the Community budget that the Parliament proposed, for example by a two-thirds majority.

The Parliament would thus have its say in regard to the budget for the Agricultural Fund and indirectly on what agricultural policy should be pursued.

However, the full development of the parliamentary system in the Community will depend above all on the political courage shown by the European Parliament and the EEC Commission.

The EEC Commission will not show the Parliament due consideration unless the latter is ready in matters of moment to resort to a censure motion. For its part, the Commission should take the risk of putting the question of confidence to the Council if the latter seeks to take decisions which the Commission as guardian of the Community's general interests, refused to endorse.

The progress of the Community seems to have become irreversible. However, even the risk of moves by the Parliament and the Executive leading to a political crisis that would threaten the very existence of the Community, appears reasonable in view of what is at stake, that is: the development of the EEC towards a healthier democracy. This need is becoming the more imperative as the Community develops and as the powers of the elected national parliaments are reduced.

("Internationale en supranationale variaties op een parlementair democratisch thema" - Opening address by Mr. P.J. Kapteyn on 9 March 1964 on the occasion of his accession to the Chair of the Law of International Organizations at the State University in Utrecht. A.W. Sijthoff - Leiden)

3. The European policy of the Member States

A. Germany

At its session of 10 July, the Federal Cabinet clearly confirmed the policy for Europe pursued by Germany until then. The Secretary of State, Mr. von Hase, stated that: "The Federal Government is continuing without any change its European policy, its alliance policy and its close co-operation with France. The question of a choice between France and the United States of America does not arise, because the chief aim of the Government's policy, which is to achieve reunification, does not call for such a choice. On the other hand, the Government will endeavour to put the Franco-German Treaty into full action as a basis for a political union of the Europe of the Six."

Earlier, on 30 June, Mr. Schröder, the Federal Foreign Minister, in reply to a minor question put by several members of the Bundestag, confirmed again that, by means of a European political union, the Federal Government was trying to complete the unification plan begun by the European Communities. This should first extend to the Member States of the European Communities. One of the most difficult problems concerned a suitable form of co-operation with other states, and this could hardly be solved by a debate in the Council of Europe - that is to say, with the participation of eleven states that were not members of the EEC. The Federal Foreign Minister then referred to the question of whether the Federal Government was prepared to act upon the Committee of Ministers of the Council of Europe in order that a meeting of foreign ministers might be arranged - after a thorough study of the proposals contained in Recommendation 364 for a resumption of talks on a political union of Europe within the framework of the 17 member governments - to enable them to exchange views and put forward an opinion to the Consultative Assembly. Mr. Schröder assured the members, nevertheless, that the Federal Government was trying to bring about a resumption of the discussions concerning the political union of Europe.

At the convention of the CSU (Christian Social Union) in Munich (from 10 July to 12 July) the party chairman, Mr. Strauss, suggested that the "next step" should be the consolidation of the six EEC countries into a political union, in order to form a

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confederation. States prepared to do this should set up a "Council of European Heads of State or Government" which would meet every two or three months in order to discuss precise political questions and to co-ordinate their countries' policies. Further, they should create a "General Secretariat" as a technical administrative and co-ordinating body, as well as a "Political Commission", whose members should not be supra-national officials, but representatives of their own governments, under specific instructions but with full powers. Their duty would be to arrange sittings of the "European Council" and to assess their results.

"All European countries willing to form a confederation", stated Mr. Strauss, "should be invited to take this step."

Mr. Strauss is convinced that all paths leading towards European unity and long-term stabilization of NATO must include a particularly close alliance between France and Germany. "Their union", he stated, "will mean Europe's renaissance; their holding back, lost time; their possible separation, a further decline of Europe."

Mr. Strauss introduced this statement with the following words: "There can hardly be a more silly slogan than that of the Gaullists in the CSU. We do not have to choose between Washington and Paris", he continued, "Germany's foreign policy must be geared both towards European unity and the Atlantic Community if it wants to reach its true goal."

At the final meeting of the CSU party rally, on 12 July, Federal Chancellor Erhard gave a detailed account of the principles of his European and foreign policy. He advocated that the creation of a larger Europe - politically and economically united - should start with the Six. If Europe were to be limited to just a few states, then the smaller ones would live in fear of a resurgent hegemony. The political problem here was to strike the right balance. The Franco-German Treaty, continued Dr. Erhard, was already achieving the co-operation between the two countries that had been aimed at during the 1961/62 discussions on a project for a political European union, including foreign, defence and cultural policies. Bilateral co-operation was too narrow, however, France and Germany were not to be suspected of only wanting to remain "among themselves". They should seek together ways and means of associating the other Member States of the EEC to the Treaty. Dr. Erhard declared that he would submit proposals to this effect.

With regard to the inclusion of defence policy in the common policy of the political union, Dr. Erhard regarded it necessary to clarify the position of NATO. He suggested that, after the British and American elections, there should be a meeting of the heads of government of the main NATO countries, to consider the organization of NATO and agree on any reforms that might be necessary. Then, in Dr. Erhard's opinion, the European aspect of the problem would probably become easier to solve.

In addition, Dr. Erhard once again stressed the Federal Republic's close alliance with the USA. "Trust and alliance", he stated, "are the basis of the North Atlantic Defence Community, and must remain so - regardless of any changes that might be made in its form". Europe, as history had shown, only had a chance if the USA could find an equal partner in the union of the free countries of Europe. "We shall strive in the future to strengthen the bonds between Europe and the USA, and, above all, to keep NATO firm. We are, moreover, prepared in future to share in the common effort and burdens and to co-operate closely with the USA and the other allied countries in achieving the MLF' (multilateral force)."

On 31 August, Federal Chancellor Erhard spoke on the German radio in an address to the German people on the occasion of the 25th anniversary of the beginning of World War II in which he pointed out that "no government alone was to blame for the First World War", but at the same time "it is perfectly clear that the main blame for the Second World War must be ascribed to Hitler".

On the European policy of the German Government he continued as follows:

"Since 1949 the Federal Government and the Parliament have persevered towards new but political objectives. In as far as the German people has been free to determine its own destiny, it has fallen completely into line with the free world with its political, economic and technical power as with its military potential. We are not sitting on the fence. We have placed the Bundeswehr under NATO command and fully integrated the defence of our land and Europe with the major democracies - that is by inseparable links. This is at the same time the best proof that talk of a "spirit of revenge" in Germany is malevolent gossip. The idea of a "European Community" has in every walk of life and despite every natural obstacle, steadily won both hearts and minds and cannot now be extinguished.



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The Franco-German Treaty of Friendship will be felt as a determined attempt to eradicate an unfortunate past; we are going to do everything in our power to fulfil it with increasing vigour as a decisive contribution for a better future."

### Interview on Germany's European policy given to the press by Foreign Minister Schröder

Dr. Schröder, Federal Minister for Foreign Affairs, gave an interview to the German Press Agency on 1 September 1964. The text of the passages dealing with European policy was as follows:

#### Question

During the most recent Franco-German consultations, a new approach to promoting the political unification of Europe was agreed upon. Appropriate proposals were worked out by the Foreign Ministry. When will these be discussed with other governments and when will they be made public ?

#### Answer

I cannot give any definite details as to time. A certain interval will certainly be necessary to consider the suitability of the many proposals for Europe that have already been made. Their essential features will then have to be embodied in a formula that must not only reflect our wishes but must also fulfil two further conditions:

- it must first be acceptable to all the EEC partners;
- it must secondly leave the door open for those European states that wish to join the EEC.

This is not an easy task; all the more so as Europe, after the repeated setbacks in its progress towards political unification must not be disappointed again. This task calls for enterprise but also for caution and a respect for principles.

As soon as a plan is worked out it will have to be discussed at Federal Government level and its outlines will have to be agreed with the Parliament. We shall then want to ascertain with our European friends whether our ideas tally or could be made to tally with theirs.

Question

But will not your first step be to reach agreement with the French Government ?

Answer

Permanent and thorough exchanges of views with our French friends are provided for in any case under the Franco-German Co-operation Treaty. In this matter too - I must emphasize this - the possibilities will be fully exhausted. It would be lacking in political tact and acumen, I think, to interpret these exchanges of views as being exclusive to the point where we cast the other EEC partners from our minds, thus doing harm to the general wishes of Europe. What Europe needs after achieving economic unification finally to achieve its political unification is not an ideological or rhetorical approach, but rather an effective plan that is thoroughly thought out and acceptable to all. In short Europe needs a political result.

Question

Recently there has been talk of strained Franco-German relations. Do you think this assertion is justified and can the Federal Government do anything in order to improve co-operation with France .

Answer

Franco-German friendship is, I think, too valuable for us to allow ourselves to surrender to a passing mood of impatience or resignation. We should indeed hold fast in all sobriety to lasting historical facts. The former Federal Chancellor, Dr. Adenauer, and President de Gaulle, were quite right to explain on 22 January 1963 that the reconciliation between the two peoples marked a historical event that established their relations with each other on a completely new footing. The two statesmen had already achieved Franco-German reconciliation at that time, that is before the Treaty was signed, although they knew that the policies of their Governments in many - and by no means insignificant - fields would follow a different course. They were genuinely convinced, as we are also today, that mutual respect and a common desire for a permanent and friendly rapprochement between the two peoples transcend any differences of opinion however serious they may be. Such community-mindedness - and this should not be forgotten - has already led to appreciable progress in many spheres. On the other hand, the Community spirit cannot remove the still outstanding differences of opinion overnight. The particular differences which President de Gaulle enumerated at his press conference on 23 July will be discussed

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as is usual between friends through the permanent consultation procedure set up by the Treaty and through diplomatic exchanges of views between the two Governments.

To conclude: the differences of opinion that are still outstanding between the two Governments after only a year has elapsed since the Franco-German Treaty came into force, undoubtedly call for a community-minded search for a compromise. The Treaty, which is based on these principles, will certainly also be able to sustain these outstanding differences of view, whose solution still stands as an obstacle to the different interests of the two nations. We must be careful to avoid further disagreements; in short, mutual respect and friendly attitudes are only a beginning. In this way we must forge ahead.

On 24 July the Federal Government issued the following statement in regard to General de Gaulle's press conference:

"At the press conference which he held yesterday, the President of the French Republic expressed with great frankness his views on world and European problems and on the development of the Franco-German Treaty up to the present.

The Federal Government equally deplors the fact that co-operation between the Federal Republic of Germany and the French Republic, as provided for in the Franco-German Treaty, has not yet led, in matters of first importance, to an agreement of views between the two Governments. German policy is neither subordinated to the United States of America, nor to France. A common policy between two governments cannot cover all the views of the two partners. For example, Germany had made it quite clear before signing the Treaty that she intended to take part in the proposed NATO atomic fleet. France, which did not propose to do so, has repeatedly declared that she fully appreciated Germany's attitude.

The Federal Republic sets a high value on the results produced so far by Franco-German co-operation within the framework of the Treaty. The two countries must now pursue their political efforts and use every endeavour to achieve the high aims set forth in the preamble to the Treaty voted by the Bundestag:

- "The maintenance and consolidation of the understanding between the free peoples, in particular close co-operation between Europe and the United States of America;

- the application of the right of self-determination to the German people and the restoration of German unity;
- joint defence policy within the framework of the North Atlantic Alliance and the integration of the armed forces of the States belonging to this Alliance;
- the unification of Europe along the path traced out by the creation of the European Communities, including in the process the United Kingdom and other States that are willing to join."

The German Government will continue to fulfil the Treaty to this effect. It will do everything in its power to make the Treaty what it should be: a means of uniting the free world through Franco-German friendship."

(Die Welt, 11 and 25 July; Bundestag Report IV/2446, 20 June, Union in Deutschland, 16 July; Bulletin of the Press and Information Office of the Federal Government, 16 July, and 1 and 4 September 1964)

#### B. France

At a press conference given on 23 July 1964, General de Gaulle dealt, inter alia, with European policy and the Franco-German Treaty.

With regard to European policy, the President of the French Republic stated: "It is undoubtedly desirable that Europe should maintain with the United States an alliance which is to their common interest in the North Atlantic area so long as the Soviet threat continues to exist. However, the reasons that made it necessary for European policy to be subordinated to the alliance are gradually becoming irrelevant. Europe must accept its share of responsibilities. Moreover, everything points to the fact that this would be to the interest of the United States, whatever their power and good intentions may be. The number and complex nature of the tasks with which they are faced are now - dangerously perhaps - beyond their means and capacity. This is why the Americans themselves state that they would like to see the old continent united and organized - no less of course than countless people on this side of the Atlantic who call for a united Europe.

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But how can this be achieved ? That is the question. Indeed, established conditions, agreed renunciations and stubborn mental reservations cannot easily be removed. We Frenchmen feel that Europe should first be "made" in order to become European. A "European Europe" implies that it exists by its own means and for itself, in other words that it has an independent world policy. This is precisely what is rejected, knowingly or unknowingly, by those who nevertheless claim that Europe must be achieved. The fact that Europe, having no policy of its own, should remain subjected to that dictated from the other side of the Atlantic seems to them, even now, quite normal and satisfactory.

Thus, a number of people, often sensible and sincere, have not been advocating an independent policy for Europe - this being beyond their conception - but rather a form of organization that would be unfit for such a policy and linked, in this field as in that of defence and economy, to an Atlantic system, that is an American system, and consequently subordinated to what the United States call their "leadership". Such an organization described as federal, would be based, on the one hand, on an areopagus of powers not controlled by the individual States and called the "executive", and on the other, a parliament without national qualifications which would be called the "legislature". Each of these two bodies would provide what would be expected of them, namely, studies for the areopagus and debates for the parliament. But certainly none of them would do what, in short, it would not be intended that they should do, namely formulating a policy. While it is true that a policy must take into account debates and studies, it is equally true that these are no substitute for a policy.

Policy implies action, that is taking decisions, achieving things and running calculated risks backed by the people. Only governments of nations are capable of taking such decisions and accepting responsibility for them. It is, of course, possible to hope and imagine that all the peoples of our continent, perhaps under a European Government, would eventually be one; but it would be derisory to think that this day has come.

France for this reason did not wish to see Europe embarking on an artificial enterprise that would strip the States of all authority, misguide their peoples and impair the independence of our continent, and she took the initiative of submitting proposals to her five partners of the Rome Treaty for organized cooperation, which would in due course foster closer relations. As we know, the German Government had tentatively agreed to the project. We know that a meeting of the Six in Paris, followed by a further meeting in Bonn, seemed at first to be leading to

a positive result, but we also know that Rome refused to call the decisive meeting. Its objections, as well as those of The Hague and Brussels, were strong enough to put a stop to everything. Finally, we know that the opposing countries put forward two rather contradictory arguments: (1) That the French plan did not conform with their view of a Europe having for its executive a commission of experts and for its legislature a parliament shorn of national realities; (2) That although Britain would never consent to sacrifice her sovereignty the integrationists would enter no European political body of which Britain was not a member."

With regard to the Franco-German Treaty, General de Gaulle stated: "Considering that the French plan for organizing Europe had been rejected by Italy and the Benelux countries; considering, moreover, that integration could only lead to an American protectorate and, finally, in view of the fact that the United Kingdom had shown during the endless negotiations in Brussels that it was not in a position to accept common economic rules and that, by virtue of the Nassau agreements, its defence force and, in particular, its nuclear weapons could not be European since they could not be independent from the United States, the Government of the Federal Republic of Germany and the Government of the French Republic felt that there might be some value in bilateral co-operation. It was then that, on a proposal by the German Government, the Treaty of 22 January 1963 was concluded. I had the honour to sign the Treaty in this hall with Chancellor Adenauer.

However, it must be admitted that while the Franco-German Treaty brought about minor results in a number of fields, while it also fostered closer contacts between the two Governments and their administrations, which on the whole we regard as useful and, in any case, quite pleasant, it has not produced up to now a line of common conduct between the two governments.

Obviously, there is no, and there cannot be, real opposition between Bonn and Paris. However, whether we think of the interdependence of France and Germany with regard to their defence, or the reforms to be applied to the organization of the Atlantic Alliance, or the attitude and action to be taken towards the East, notably Moscow's satellites, and by extension towards questions of frontiers and nationalities in central and eastern Europe, or recognition of China and the diplomatic and economic policies that could be carried out by Europe in regard to that great nation, or peace in Asia and in particular in Indo-China and Indonesia, or development aid to countries in Africa, Asia and Latin America, or the setting up of a common agricultural market, with its bearing on the future of the European Economic Community, it cannot be said that Germany and France have as yet

## European integration

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agreed on a common policy. Beyond all question this is due to the fact that Bonn does not yet believe that such a policy should be European and independent. If matters were to remain perpetually in this uncertainty there would in the long run be a few doubts among the French people, a few troubles among the Germans, and a reinforced tendency on the part of their Common Market partners to stay where they are, perhaps awaiting dispersal.

However, the force of things does its work in the world. In proposing and wishing that Europe has its own policy - European, independent and organized - France is convinced that she serves world equilibrium, progress and peace. Furthermore, she is now sufficiently strong and sure of herself to be patient - unless, of course, grave events abroad, led to changes in her orientation. As a matter of fact, at the recent meeting of the two governments in Bonn, Dr. Erhard had spoken of an early German initiative. While waiting for the sky to open, France will by her own means pursue what could and must be an independent European policy - a matter of congratulation by other peoples."

(Text of the press conference)

### C. Luxembourg

Mr. Werner, President of the newly-formed Government, issued a statement on 22 July, on behalf of his Government, in which he presented to the Chamber of Deputies the guiding principles of his policy.

He stated in particular: "With regard to European unification, the Government will support all efforts made with a view to speeding up the integration of national economies within the framework of the European Communities, taking due account of the transitional stages required in maintaining the balance of sensitive sectors. The Government is aware of the significant progress made in respect of the supranational principle and regards this achievement as a further step towards the gradual unification of our continent.

The Government refuses to question the basic principles of integration. It is in favour of a merger of the Treaties. However, it will not accept a reorganization of European institutions and in particular a merger of the Executives unless these contribute to the development of integration and offer definite prospects concerning the organization and future aims of the

Communities as a whole. In this respect the Government considers that any institutional reorganization of the European Executives can only be carried out in the light of the particular conditions prevailing in the various fields covered by the Paris and Rome Treaties, as well as the specific administrative needs resulting from these Treaties. It also feels that an institutional reorganization of the Communities cannot be envisaged without consolidating the prerogatives of the European Parliament.

In this connexion the Government is in favour of a geographical extension of the Community by means of accession to full membership or associate membership, on condition that internal integration is not slowed down in the process.

The Government will also support all forms of collaboration between existing organizations such as the Council of Europe and the Western European Union.

With regard to the seat of the European institutions, the Government will assert the indisputable rights resulting from the prominent part taken by the Grand Duchy in building up Europe. It is not prepared to agree to any institutional reorganization of the Communities that does not provide for prior agreement on seeking a fair solution to the question of the location of the European institutions."

(Luxemburger Wort, 23 July 1964)





## II. ASSOCIATION WITH OR MEMBERSHIP OF THE COMMUNITIES

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### Chronological summary

#### Nigeria

14 July: Resumption of association negotiations between the EEC and Nigeria in Brussels

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#### A Conference on the Association between the EEC and the African States and Madagascar

The International University of Comparative Science at Luxembourg opened its summer course on 6 July 1964 with an address by Professor Giuseppe Vedovato, Vice-President of the Committee for Foreign Affairs of the Italian Chamber of Deputies, on the association between the European Economic Community and the African States and Madagascar.

The speaker began by recalling a declaration of the President of the Republic of Gabon and of the African and Malagasy Union: "Here in Africa we also have a foot in Europe". This expression shows the nature of the links that bind the Community to the associated African States and Madagascar. These are indeed bonds of close co-operation and not of subjection of one party to the other.

This underlying principle is in evidence throughout the Convention that is the basis of the association between the Community and the countries mentioned. Professor Vedovato went on to point out that the regulations governing the association were clearly the result of the express wish of the Six to act as a Community in relation to the African States and Madagascar, relegating to the background any act that was specifically national or reflected special interests. The association furthermore was in no way an obstacle to efforts directed towards the unification of Africa. There were indeed in Africa groupings of an economic type to which various associated states belonged; this had never raised a problem of choice; everything reflected the belief that close economic

## Association with or membership of the Communities

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co-operation either of the Associated States amongst themselves or between the Associated States and third countries, could not but enhance the benefits that the association brought.

The trade relations that the association encouraged - the speaker continued - brought a great number of countries into contact. On the one hand there was the Europe of the Six including Berlin; on the other were the territories of the Associated States, including France's overseas territories and departments that had links with the Associated States. The relationships were becoming increasingly multilateral in character, in the Community-Associated States sense also. Thanks to the association, furthermore, action had been possible at the international level by common assent to try and find a solution for problems concerning tropical products, the position of which was a source of concern to those responsible.

Many of the measures provided for under the Convention concerned trade and equally, technical and financial co-operation. This showed that the association was not designed for a limited period but to last. The speaker concluded by saying that, everything considered, the association established a single-minded agreement to co-operate that opened up tremendous possibilities for the second half of the twentieth century. "This highlights the fact that it is our vocation to be a united civilisation whose new mainsprings will certainly produce richer rewards. The association that binds European to African and African to European has transformed decolonization into a creative withdrawal. By an act that binds the responsibility of all its members, the association sets up an international society that is at last close to maturity. This objective has always been for all of us a source of concern and of hope and a reason for taking action. With this in mind, we can quote the words of a poet: We have come to the ultimate phase. Here on each side there is give and take."

### III. ECONOMIC POLICY AND INDIVIDUAL SECTORS

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#### Chronological summary

- 6 July: Setting up in Bâle of the Committee of Governors of the Central Banks of the Member States, in accordance with the EEC Council decision of 13 April 1964.
- 7 July: Issuing of directives for implementing the freedom of establishment and the freedom to supply services in respect of independent professional activities in industrial and mining trades.

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1. An interview on the Italian economy by Mr. Schmücker, German Minister for Economic Affairs

In an interview to "Corriere della Sera" on 21 July 1964, Mr. Schmücker, Minister for Economic Affairs of the Federal Republic of Germany, expressed his opinion on the possible repercussions of the Italian economic situation throughout the European Community.

Question: What makes the Federal Government uneasy about Italy's economic situation? Do you also fear the danger of imported inflation?

Answer: Europe's economy is already deeply integrated. Any threat to the economic balance of a country implies a threat to other countries as well. As yet we cannot speak of inflation in connexion with any of the EEC countries, but it is obvious that here and there we find tensions which, if not removed, could seriously endanger the stability of European economy. Germany's concern therefore is mainly about the general situation in Europe.

Question: Does Italy's economic situation constitute a threat for the whole of the EEC?

## Economic policy and individual sectors

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Answer: I have always maintained and I would repeat that Italy's present difficulties can be overcome, and this is our earnest hope. Only if these difficulties cannot be overcome (which seems unlikely) could they seriously threaten the Community. This does not apply to Italy only but also to any other EEC country in which similar trends exist or may occur.

Question: Do you feel that a devaluation of the lira is inevitable?

Answer: No, definitely not. However, it is for Italy to reply to this question.

Question: What effective measures could the European Community adopt in order to assist Italy?

Answer: The EEC has already taken practical steps in co-ordinating and, consequently, strengthening - by means of recommendations to Member States - various provisions made by the Six for ensuring stability. The essence of the EEC's recommendations is the emphasis on the need to restore stability in the trade balance sheet and to apply a restrictive credit policy. Up till now the Community has not adopted direct assistance measures for the individual Member States. With regard to Italy, these could only be discussed at Italy's specific request. I hope, however, that the economic policy measures recommended by the Council of Ministers of the EEC will be successful. The fact must be acknowledged that it is no longer possible for an individual country to conduct its own economic policy. Interdependence and international co-operation have reached such an advanced stage that any development in a particular country has immediate repercussions throughout neighbouring countries. It is therefore logical and necessary for each individual country to take into account not only its own economic situation but also that of other countries and that this should be followed by appropriate economic policy measures.

Question: Under what conditions could the Federal Republic of Germany grant a loan to Italy?

Answer: The Deutsche Bundesbank (German Central Bank) has already made a substantial contribution to the assistance granted to Italy in regard to foreign currency. As you know, the contribution was made without any condition whatever. Whether such assistance should or could be continued is a question to which no-one is at present in a position to reply. I would, however, stress that my country will do its utmost to assist Italy. I have been following with great sympathy what is being done in Italy in this connexion and I hope that these efforts will soon yield successful results.

Question: Do you think that the Common Market countries could on their own initiative reduce the pressure of their exports to Italy and increase imports from our country until such time as the equilibrium of our balance of payments is restored?

Answer: The Federal Republic has already increased its imports from Italy. These have gone up from DM 1454 million during the first five months of 1963 to DM 1538 million for the first five months of 1964. This represents an increase of 5.8 per cent. Our exports to Italy during that period increased from DM 2089 million for the first five months of 1963 to DM 2162 million for the first five months of 1964, representing a 5.5 per cent increase. Imports have therefore been greater than exports. The expansions of imports from Italy will certainly increase as a result of the 50 per cent customs reduction among Member States of the EEC. This reduction has already been decided by Germany. I cannot imagine however that European countries intend to control the trading machinery, nor is it correct to speak of a "pressure of exports". It is also necessary to bear in mind the fact that the movement of goods has a stabilizing effect on prices. In my opinion this is a positive fact. With regard to the Italian balance of payments, the Federal Republic provides a large and constant contribution to its equilibrium. In the past year alone, German tourists spent in Italy about DM 900 million. The balance of payments between Italy and Germany showed in 1962 and in 1963 a credit balance of about DM 750 million in favour of Italy. I believe that these figures clearly show the contribution provided so far by Germany to the equilibrium of Italy's balance of payments.

(Corriere della Sera, 21 July 1964)

## 2. A study on the "Europe of regions"

Le Monde has published a study entitled "From a Europe of states to a Europe of regions". One point made is that developments tending both to unify the continent and to give the regions greater prominence are conflicting only in their outward appearance. How can a continent be unified without being decentralized? How can one think in terms of a balanced development without a regional policy? It is, on the contrary, the suggestion that it might be otherwise that will soon be regarded as irrational for it seems both summary and superficial and does not really stand up to an analysis of the facts.

Indeed, while it is becoming more and more obvious that regional problems call for regional solutions, both on a national and on a European scale, and while the establishment

## Economic policy and individual sectors

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of the Common Market implies a vigorous regional policy, the mistake is to suppose that there is a conflict and a contradiction in terms between the emergence of Europe and a resurgence of the regions that comprise it. It would rather appear that regionalism and European unification will soon be unable to progress unless they do so together. It cannot be too strongly emphasized that economic integration allows for regional autonomy - whether administrative or political - in that it makes such independence indispensable if an effective regional policy is to be pursued.

The economic aspect is, furthermore, not the only one. The diversity of Europe is more than a mere fact - and, clearly, this invalidates any and every suggestion that Europe should be centralized. This diversity is something that must be kept alive and safeguarded - if only out of respect for human values - and which the unification of Europe may indeed guarantee; it is clear that building a political Europe is consonant with a twin objective - giving Europe greater unity, with all that this implies - common economic and social policies, an integrated defence system, a federal authority, an elected European assembly, a European currency, a common working language, a capital that would be a true centre and focal point of influence and political parties at the European level - and, at the same time, keeping alive the diversity of custom and language and stimulating the development of the various cultures that are the essential wealth of the European inheritance.

Thus, on this basis, the outlines already begin to emerge of a political Europe that would be the final stage of a process initiated by the gradual establishment of the Common Market.

On the one hand, at the upper level, as it were, the general business of Europe - economic and financial policies, defence and diplomacy - would be entrusted to federal bodies; on the other, at the lower level, the regions, endowed with their own institutions and with fairly wide powers in the economic, administrative, social and cultural fields would, in one sense, form the equivalent in Europe of the "states" in the American Union.

What part would then be played by the states of today? It will be much smaller, at first glance, since the centralized national state would lose those of its present powers that it had to cede to the European federal power - these being the most "political" of its powers - and also those that it ceded to the regions - these being rather administrative and cultural; this is, of course, a rather rapid and sketchy analysis. For, if it is agreed that there are to be - and that there are already - regional realities and a European reality, there

remains the solidarity of regions sharing the same language and culture - in other words, national solidarity - and, beyond the linguistic frontiers, the solidarity born of common interests that unite a group of regions of differing cultures.

The states are not only institutions or "superstructures", they have also, in the process of time, become a human reality. In this sense, even if, one day - and we have not yet reached that stage - the regions do in fact become direct members of a European federation, the states of today will still continue in being, in a way, in the groupings formed by regions having the same language and culture or whose economic interests are common or complementary.

The developments leading Europe towards the introduction of a federal system appear bound to be spread over a long period. Before reaching what one might regard as the logical conclusion of this process, there is every likelihood that, for some time at least, one will find the states constituting intermediate bodies between the regions of Europe, subsequently subsisting in the form of groups of regions having cultural and economic responsibilities - groups of regions that are, for example, culturally German, French, Italian or Dutch; these groups would be more or less institutionalized - with primarily technical bodies comparable with the Tennessee Valley Authority - and, depending on the aims pursued, would probably overlap to a greater or lesser extent.

At all events, it is up to the present states to pave the way for the Europe of tomorrow, for it would be unfortunate if the states, wanting, quite naturally, to continue in being as they are, were to refuse to accept developments that would of necessity deprive them in the long run of some of their powers. The states, for as long as they continue to fulfil their mandates, will still be the trustees of the peoples they govern, of the regions they comprise. And their task, at the European level, will be to plan, steadily and in concert, the future political structures of Europe. In 1964 it has almost become an anachronism to contemplate administrative and institutional reforms that are not, to some extent, in line with similar efforts that may be made by other partner states in the same community. Even beyond the frontier regions, or even in those divided by a frontier, where co-ordination is indispensable, the creation of a European Council for Regional Planning appears, among the tasks to be undertaken, altogether desirable.

The road that no doubt leads to the constitution of a European federation will thus be the natural sequel to a long-established historical process.

(Le Monde, 27 August 1964)



3. Public finance and restraint in Europe

Under this heading and referring to Belgium's budget for 1965, "Le Soir" points out that two factors are too often left out of account. The first is that the increase in domestic prices is to a large extent the result of a contagious trend taking its normal course in the European Common Market. The Belgian economy, which is heavily dependent on the market of the Six, could not hope to evade the increase in prices that has been so pronounced among her partners. Even the Dutch have been unable to avoid the "European" increase in wages. Whatever our financial and monetary policies may be, events occurring in neighbouring countries will in future exert an increasingly strong influence on our whole economic life.

The second factor to bear in mind is that it is better for a member of the Common Market to borrow from other Member States than from non-Member States. In other words, should the need to raise a loan arise, it would be better, under present circumstances, to raise it in Frankfurt or Amsterdam rather than in London or New York. Why? Because our interests are bound up with those of the other member countries of the Common Market and the purchasing power that we borrow from them in the form of a demand for goods, will no longer stimulate economic expansion. In short, loans raised within the Common Market are no longer so much operations undertaken "abroad" but are more like loans raised internally in terms of their effect on the economy.

In discussing recommendations made by the authorities of the Common Market, it must firmly be borne in mind that this Common Market is a fact. It is in the whole range of our relations with the other countries of the Common Market that the desirability and economic effect of foreign loans must be assessed.

The authority of the Common Market cannot on the one hand be invoked if on the other hand its existence is by implication ignored.

(Le Soir, 2 August 1964)

4. The French Press and the freedom of establishment

"Le Monde" has published an analysis of the application to the French press of the directive laying down the arrange-

ments for the freedom of establishment and the freedom to supply services in activities connected with the press.

The author points out that the proposal for a directive incorporates special provisions that are more or less explicit. Some provisions, such as those dealing with the scientific or professional qualifications required for carrying out activities connected with the press, do not seem to apply to France and in fact make no reference to French law. Other provisions give rise to disturbing uncertainties. This is true of Article 6 in the proposal dealing with the right of Community nationals to join a professional organization and have the same rights and obligations as the nationals, where their membership is "one of the conditions for their being admitted to or for exercising an activity connected with the press". "Our press organization is, to a large extent, a co-operative organization. Representatives of professional associations are partly or wholly responsible for managing the main services of common interest and assist, on various bodies, in exercising control or taking action in a way undeniably concerned with the conditions or arrangements governing the exercise of activities that are connected with the press. In future, all Community nationals would, without reservation, have the right to be appointed for such duties (in fact such appointments would appear unlikely but we have the time to deplore the fact) and Article 6, if followed to its logical conclusion, would involve a revision of Article 7 of the law of 10 January 1957 that established the statute of the France-Presse agency. It may even be asked whether Article 7 of the directive, which prohibits the granting, to nationals of one of the Member States going to another Community country, of aids likely to alter the normal conditions of establishment, is not such as to affect the application of the law of 31 December 1956 that set up a "cultural fund", particularly as the proposal is specifically directed at the activities of press distribution agencies.

Above all, and this should be stressed, the directive, in addition to the special abrogation provisions that it includes as a guide, enunciates the principle of a general elimination of the restrictions covered by Title III in the general programmes - restrictions that are as varied as they are extensive, ranging from every restriction or obstacle to the exercise of an activity, to the exclusion from the benefit of any direct or indirect aid granted by the State. It is true that the elimination of discriminatory treatment does not imply the abolition of rights or benefits accruing to nationals. Furthermore, over the more or less long term, there should not ensue any increase in costs within individual states or any aggravation of differences of conditions, as between states, that would give grounds if not justification for revising these rights or benefits. In a field where, as we originally pointed out, economics and politics overlap, the political aspects reflect in the most sensitive manner, the feelings and the

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needs of the nation as a whole. The special economic arrangements affecting the press in France (whether this involves publishing houses or connected services) are intended, in so far as this is possible under the present changing state or techniques and machinery generally, to guarantee freedom of information and the full exercise of the social responsibility that information alone can assume and within the framework of which the variety of sources and competitive activities can now play their part. That they manage to do so only imperfectly is no doubt due to some extent at least to their inadequacy. Improvements here may be desired and planned out. The basis cannot be undermined nor the effects curtailed without direct prejudice to the main tool of a political activity whose means or powers would thus be curiously dispersed and without any obvious justification. The explicit reference in the directive to the provisions in the decree of 26 August 1964, that apply only to political or general information newspapers, is highly significant. Indeed, no-one can in good faith regard the Common Market merely as a "commercial bloc" ignoring any influence or political purpose it may have. It is also necessary to know where one is going, how and at what price.

All roads lead to Rome and we do not wish to overburden our reservations with disputes about method. One cannot, however, help thinking that it would have been better, in order to assess the desirability and the extent of the application of the Treaty of Rome to the press, to take a standpoint within the system that the press represents as a whole without darting about here and there within the system, picking out at random this or that special provision that appeared to fall within the scope of the Treaty, even where these provisions were subsequently more or less dependent on general rules that did not seem to have been designed for that purpose.

Thus, before any final decision is taken, a lucid analysis of the scope and implications of the draft directive is indicated. This analysis, if one is to judge by the uncertainties that the text of the directives leaves unresolved, calls perhaps for still further explanation and confrontations (even by recourse to an extension of the timelag that the Treaty permits). The analysis should in any case, and whatever the political options, lead to the necessary explanations and guarantees being given so that (if one is unwilling to go so far as to develop it to the Common Market scale) the where-withal may be guaranteed for implementing that freedom of the press to which we are keenly attached."

(Le Monde, 29 August 1964)

#### IV. SOCIAL QUESTIONS

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##### Chronological Summary

4 July: Demonstration in Dortmund by the mining trade unions of the ECSC countries for a social Europe

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1. Proposal for the establishment of an Action Committee for a European Miner's Code

The refusal of the majority of representatives of employers and of certain governments to open discussions on the establishment of a European Miner's Code gave rise to a series of reactions in June and July 1964 in trade union circles.

The Christian miners' and energy sector workers' unions organized a meeting in Saarbrücken on 5 June 1964 at which Mr. Engel, Secretary of the Federation of Christian Unions in the ECSC, proposed that an action committee be set up to obtain the introduction of a European Miner's Code; the committee would comprise not only union representatives from the various opinion groups but also members of the European Parliament. The latter had voted unanimously in June 1961 in favour of the establishment of such a Code. The arguments put forward by Mr. Engel in favour of the establishment of a European Miner's Code were quoted in the communiqué issued on 25 June 1964 following an extraordinary meeting of the Standing Committee of the International Federation of Christian Miners' Unions (IFCMU):

Through the absence of any social policy designed to stimulate the recruitment of miners it was becoming increasingly difficult to find men either at the national or the international level. The pace of manpower turnover was increasing; it was expensive and out of proportion; the average age of the labour force was becoming disturbingly high.

A stable and increasingly skilled labour force was vital to the future of the coal industry.

## Social questions

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The Standing Committee of the IFCMU therefore considered a policy whereby wages and living standards in the mines did not keep pace with the other sectors and whereby labour was recruited in countries with a low standard of living was both politically and socially ill-advised.

A fundamentally revised labour policy was urgently needed if European coal production was to be competitive; every effort should be made to accomplish this without waiting until complete agreement had been reached on a European energy policy. The miner's occupation, both materially and psychologically, should be radically improved as a result of this policy, reference being made to the draft European Miner's Code worked out by the International Federation of Miners' Unions and Free Miners' Unions.

The wherewithal and legal opportunities to enforce this code were lacking so that it was at the national level that action was called for under present conditions to achieve the aims stated.

(Original documents)

### 2. Dortmund rally calls for a socially integrated Europe

More than 20,000 trade unionist miners from ECSC countries met in Dortmund on 4 July at a rally in which they "expressed their determination to strive for real social integration in Europe". To this end, they espoused the principles and aims of European policy embodied in the following resolutions:

One of the three resolutions concerns the European Miner's Code which it describes as an effective means of improving working conditions in the mines and of putting an end to the insecurity and dissatisfaction at present prevailing in the industry. The trade unions express their conviction that the European Miner's Code would facilitate harmonization of working conditions, considerably reduce fluctuations in available manpower and increase safety at work and productivity. They therefore call upon governments and employers alike to help to remove the acute manpower shortage in the coalmining industry through the adoption of the European Miner's Code. While welcoming the constant endeavours of the High Authority and of the European Parliament to bring the governments, workers and trade unions together to discuss the Miner's Code, the resolution sharply criticizes the "negative attitude and lack of

foresight" of the employers and certain governments against whose resistance all the efforts made so far had foundered.

In another resolution - on social policy - it is pointed out that miners simply cannot understand why resistance - whether open or concealed - should today be offered to social integration by governments and employers. This not only ran counter to an essential provision of the Treaty - raising of the standard of living - but also undermined the workers' confidence in the European idea. The trade unions stress their conviction that "economic integration in whatever form is inconceivable in the absence of social integration". In their view, miners must therefore be allotted an extensive and high position in the social scale. To this end, the High Authority must continue to carry out its tasks and exercise its powers in the field of social policy on the basis of a wide interpretation of the Treaty, and the Council of Ministers must put into effect the social policy recommendations of the High Authority and the European Parliament. The trade unions request that:

- the building of dwellings for miners should be speeded up;
- priority should be given to industrial health and safety;
- occupational training and trainee programmes should be co-ordinated and improved at Community level in order to achieve real freedom of movement;
- no effort should be spared to harmonize all social policy provisions.

A third resolution - on European energy policy - criticizes the protocol agreement approved by the Council of Ministers in April 1964 as laying down only a number of principles and no practical political measures. The miners therefore call "once and for all for binding declarations on energy policy aims and on the measures to be expected, as it is thus that their occupational and social prospects will be determined". The coalmining industry - they declare - must be accorded a permanent place in the co-ordinated energy policy, production being maintained at present levels irrespective of market fluctuations. The miners are in favour of a uniform system of coal subsidies as they feel that it would be "disastrous if free competition were to be the sole factor operating in the energy market". It will be necessary, however, to avoid distorting competition, to ensure that the collection and distribution of funds is controlled by a Community institution, that public funds are not misused by coalmining undertakings and that any aid granted is administered in such a way that miners can benefit from social progress like any other workers.

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During a previous discussion, Mr. Del Bo, President of the High Authority, stated that "all the arguments in favour of a miner's code still apply, quite apart from the fact that we are now faced with a new situation that could facilitate a positive resumption of the talks". The "Protocol of an Agreement concerning the common energy policy" of 21 April 1964 had provided the groundwork for introducing a system of subsidies for the coalmining industry at Community level. Employers were therefore in a position to decide on their rationalization and production targets and also to put them into effect. "There therefore exists a wide measure of economic certainty", explained Mr. Del Bo, "which all the more justifies the demand for a miner's code and disposes of any grounds for delaying its adoption". As the High Authority could not go beyond the limits of the agreement, the question of wages and of social security should, for the moment at least, be set aside and efforts concentrated on those objectives that held out the best prospects of success. It was essential therefore to adopt certain measures that would guarantee a real professional career to the miner. Such measures would, of course, cost money. A solution to the problem of financing them would, however, have to be found, this being the price that "must be paid if we are simultaneously to ensure employment for the miner and the production of coal".

(Original rally documents, summary by the High Authority, 4 July 1964)

Part II

THE PARLIAMENTS

Chronological summary

NATIONAL PARLIAMENTS

Germany

10 July: Bundesrat opinions on draft EEC regulations concerning:

- quality wines from certain vine-growing areas,
- the gradual establishment of a common market organization for sugar,
- exception regulations covering rice and scrap rice imports from the Associated African States and Madagascar,
- the application of the rules of competition in respect of rail, road and inland water transport;

Opinion on a draft preliminary directive covering the awarding and execution of building projects;

Resolution on a draft regulation concerning production compensation for cereal and potato starch.

Italy

30 July

- 6 August: Debate on European policy in the Chamber of Deputies.



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### 1. Germany

#### Opinion of the Bundestag on draft regulations of the EEC Commission

At its session of 10 July the Bundesrat expressed its opinion on a number of documents submitted by the EEC, among them the draft regulation on quality wines of specified origin, regarding which it voiced "considerable misgivings". It therefore requested the Federal Government, too, not to approve the draft in its present form.

In support of its views, the Bundesrat pointed out that the draft had taken over in its entirety the wine classification system of the French wine marketing organization which distinguished between wine of specified origin and consumer wine. Such a system could not be adopted for wine-growing in Germany where conditions of production were entirely different and the wines produced differed widely from the French and Italian products. In the Northern zone, where the quality of wines fluctuated widely with the locality, type of wine and season, to make a distinction between quality and non-quality vineyards was as unreasonable and impracticable as to attempt to establish maximum yield values. Moreover, the general ban on sweetening amounted to discrimination against low-alcohol German wines which in the main could not dispense with this. Finally, the draft regulation made the Administrative Committee on Wine, whose decisions were arrived at by majority vote, solely responsible for a number of provisions that were of outstanding importance for both wine-growing and consumer protection, while the Commission reserved to itself undefined executive powers. Such a procedure was unacceptable.

The Bundesrat also expressed misgivings regarding the marketing control system on which the draft regulation on the stage-by-stage establishment of a common sugar marketing organization was based, because it did not make sufficient allowance for the special conditions of the sugar market and sugar-beet cultivation.

The Bundesrat felt that if the control measures so far operated with success by the partner countries (fixing of marketing and production rights, limitation of price guarantee) were abandoned, the widely feared surplus production could be counteracted only through the price mechanism - where necessary, therefore, only by reducing prices in varying degrees. Consequently -

contrary to Article 39 of the EEC Treaty - insufficient account might be taken of the natural disparities in cost and yield on the sugar market of major vine-growing areas, which could thus suffer considerably. In the foreseeable future, there would arise the danger of excessive one-sided demands on the Common Agricultural Guidance and Guarantee Fund. The Federal Government was therefore requested to use its influence to maintain the level of German sugar-beet cultivation and sugar production and ensure that the price mechanism of the sugar marketing organization was supplemented by a system of quantity control.

The Bundesrat then went on to specify a number of regulations which it felt the Federal Government should either amend or supplement.

In a resolution on the draft regulation relating to refunds in the production of wheat and potato-starch, the Bundesrat requested the Federal Government to ensure, at the forthcoming negotiations with the EEC Commission, that:

- maize prices for starch producers would be harmonized in the Community;
- uniform scales of valuation would be introduced for potatoes as raw material and for starch processing products;
- starch potato producers would be guaranteed a price commensurate with their costs through the granting of further aid.

The Federal Government was further requested to use its influence with a view once and for all of abolishing any measure that tended to distort competition in the EEC Member States.

(Federal Council publications 202/64, 158/64 and 278/64 session of 10 July 1964)

## 2. Italy

### Debate on European policy in the Italian Chamber of Deputies

In the course of the debate on a motion of confidence in the Government, Mr. Aldo Moro, President of the Council, stated that Italy was making its contribution as a loyal partner at every

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community level, both economic and political. Italy was endeavouring to strengthen the European institutions through the proposed merger of the Executives and the direct election of the European Parliament. The aim of the Italian Government was the creation of a democratic and "open" Europe that did not exclude any country without justification; this Europe would move towards authentic integration and be bound by strong links of solidarity with the United States of America. The course followed, of vital importance both of Italy itself and the world at large, had, despite earlier hopes, been fraught with difficulties that had made progress slower than expected. It had, however, to be followed calmly and without despondency; in this way the prospect of an important historical development could be opened up to future generations. Such a great design called for a wide measure of agreement and strong popular support. Italy would work, excluding and remaining unbiased by any special interests, for the gradual harmonization of the constituent ideals and policies of a united Europe. This would not be unlike the Europe conceived by the great men who initiated its construction - a force for unity and peace, capable of pursuing a common policy against the wider background of the democratic nations of the West and fitting into the intricate pattern of wider international relations.

Mr. Scelba (Christian Democrat) taking the floor in turn, observed that before enlarging the Community of the Six it was pertinent to reflect on its consolidation. The Europe of the Six was not Europe. However, the speaker pointed out, to replace France by Great Britain in the Community would not enlarge it but simply break up the Treaties of Rome. Every opposing theory erred by being too abstract and the principle of holding out for the maximum of one's demands and rejecting compromises was also fraught with danger and sterile in regard to the political unification of Europe. Efforts to unify the Executives of the Community and to obtain the election by universal suffrage of the European Parliament should be intensified and all the six countries were agreed that these were necessary. Mr. Scelba then pointed out that the Treaties of Rome made no provision for political unification; any step towards political unity could only result from the concerted resolve of the six countries, whose final objective should be the creation of the United States of Europe. The necessary conditions for such an objective did not obtain at present as France's opposition stood in the way of its pursuit, despite certain statements by General de Gaulle that were full of hope and trust but in conflict with his present policy. This did not mean that one should wait and do nothing as was the case with the Italy of the centre-Left.

In Mr. Scelba's opinion, the Fouchet Plan, submitted by the French President, had the merit of being practical and was indeed worthy of discussion. Unfortunately, however, it was not pursued

for fear that the proposals it contained might be surreptitiously designed to create a French political hegemony: had a different course been followed, the much deplored Franco-German Treaty might not have come about. In conclusion, Mr. Scelba described as specious the present "wait and see" policy that consisted in an unwillingness to prejudice the conditions for the United Kingdom's entry into the Community when it was notorious that the attitude of that country towards European political integration was exactly the same as that of France.

Mr. Gaetano Martino (Liberal) deplored as much as Mr. Scelba the negative line taken by the Italian Government in regard to European problems but he differed from Mr. Scelba in emphasizing that the Treaties of Rome did contain principles that anticipated the construction of Europe at the political level - failing which the economic structure would itself be threatened. Mr. Martino further wished to make it clear that the Italian liberals in no way shared the ideas of General de Gaulle as to how Europe should be built up, especially the proposals for a confederation system - warning example of whose ineffectiveness was the Franco-German Treaty. The Fouchet Plan itself had not represented a step forward. The Liberals had always been and remained in favour of the United States of Europe and of amplifying the European construction, notably to embrace the United Kingdom; it had on several occasions called for this and had therefore strongly deplored the hostile gesture of General de Gaulle. They did not, however, in the name of the great Europe of tomorrow, intend to renounce the little Europe of today with all its latent federal implications. But was this the view of the Italian Government? To judge by what Mr. Saragat, Minister for Foreign Affairs, wrote and did, the Government appeared, with a Labour victory in the United Kingdom in prospect, to be searching for new formulae on the basis of the principle "everything with the United Kingdom, nothing without it". What are these new formulae? Mr. Martino went on to say that the programme of the first Moro Administration contained interesting new features, first among which was the campaign for elections to the European Parliament by direct universal suffrage which would represent an immeasurable progress towards the political Europe which could never be constructed without the direct intervention of the will of the people. This undertaking, however, had found no practical expression under that Government: it was true that an initiative had been taken by Minister Saragat but it had done more harm than good. Instead of negotiations all that had been achieved was a compromise, sanctioned by Article 138 of the EEC Treaty, whose terms had in fact been respected by the European Parliament when it submitted in 1960 a plan for the election by universal suffrage of the Parliament which the European Council of Ministers took care not to study. In this connexion, the proposals submitted by the Italian Government made no reference to Article 138 or to the plan formulated by the European Parliament; this had helped to

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get the question shelved. This negative move was perhaps understandable if a speech by Minister Saragat for a Socialist Europe were remembered. Yet such a formula was not in keeping with the spirit of freedom that inspired the Community. The nascent institutions needed courage and faith; and the Europe of the Six at its emergence had the help of the courage and faith of men like Alcide De Gasperi. The hope that one could formulate today was that the admirable example given by that great statesman in very difficult moments - the speaker concluded - would illuminate, for the good of his country, the thoughts and actions of his successors.

Concluding the debate, Mr. Moro replied to Mr. Scelba by stating that there was no doubt a lot of truth in what he said but that he had neglected to suggest any practical solution. It was undeniably true that it was desirable to consolidate the Community of the Six before enlarging it, but that was in fact what was being done with a due measure of responsibility and in the face of immeasurable difficulty. No-one furthermore thought that the United Kingdom could be substituted for France in the Community; the Community emerged as an entity open to the widest degree of association and its institutions and own natural bias tended in this direction. Referring to the reservations expressed by Mr. Martino on the European commitments of the Government, the President of the Council observed that Italy was making its contribution and collaborating in good faith at every Community level and that it had undertaken to seek the widest measure of consent from the people, as well as its direct help in building an economic and political European Community; this was consistent with the action taken by every Italian Government since 1950. Mr. Moro then stated that the Italian proposal of 24 February for the election of members of the European Parliament by direct universal suffrage originated in the proposal put forward to this effect by the European Parliament. Far from doing any harm this had served a most useful purpose in that the EEC Council had in July undertaken to resume the study of the Italian proposal after the unification of the Executives.

(Chamber of Deputies - Summary of proceedings of 30 July and 4 and 6 August)

### 3. Netherlands

#### a) Parliamentary control and the merger of the Executives

Is the Government prepared to consider parliamentary control, particularly over the budgets of the Communities, as a prerequisite for any discussion on the merger of the European Executives?

In reply to this question by Mr. Van der Goes van Naters (Socialist) in the Second Chamber of the States General, Mr. Luns stated on 10 June 1964 that careful consideration should be given to the question of choosing the right moment before pronouncing the "non possumus". The Netherlands are anxious that the merger should be achieved as it would strengthen considerably the position of the single executive as well as that of the European Parliament.

With regard to the present powers of the European Parliament, Mr. Luns stated that the right of veto of the European Parliament over the budget of the ECSC is now under discussion. This concerns a different kind of budgetary control that will eventually disappear.

The question of parliamentary control, however, can no longer be avoided if the Parliament is really going to have powers of its own. This could already be the case on 1 January or 1 July 1965, and will be so at any rate by 1 January 1970. At the moment, the question under discussion is whether the influx of money to the Community, as a result of agricultural regulations, can be regarded as money of which the EEC Commission can actually dispose. Disposal of this money is linked up to measures for carrying out directives laid down in regulations. For future Council decisions concerning the resources of the Agricultural Fund, national approval is required in accordance with Article 2 of Regulation No. 25.

Mr. Luns promised to submit a report to the Second Chamber on the question of parliamentary control and on the most appropriate form for such control.

(Proceedings of the Second Chamber, 1963-64 Session, 10 June 1964)

b) The Dutch Government puts a brake on coal imports from third countries

In reply to a question by Messrs. Nederhorst and Oele (both Socialists), Mr. Andriessen (Minister for Economic Affairs) confirmed that the Dutch Government had urged the Dutch power stations to obtain their coal supplies from the Federal Republic of Germany. This step is in accordance with a Government commitment entered into in 1958 when it declared itself prepared, in compliance with an ECSC request, to ensure that the ratio of coal imports from third countries to coal imports from the Com-

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munity does not develop less favourably towards the latter. The Dutch Government has accordingly prevented, by its action on behalf of the German suppliers (Belgium is not prepared to supply) imports from the ECSC area from being practically halved.

(Proceedings of the Second Chamber, 1963-64 Session, 20 June 1964)