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C O N T E N T S

P a r t I

DEVELOPMENT OF EUROPEAN INTEGRATION

	page
I. <u>GENERAL PROBLEMS</u>	1
<u>Chronological summary</u>	1
1. Europa-Union Germany calls for a democratic European Federal State	2
2. The European Federal Movement discusses the choice between the United States of Europe and the 'Europe of Alliances'	4
3. The third European Conference of Christian Trade Unions	6
4. Thirteenth Round Table Conference on European problems	8
5. Steps for the promotion of the political unifi- cation of Europe: a debate on Italian television	10
6. Mr. Saragat, Italian Foreign Minister, inter- viewed on European problems	13
7. Chancellor Erhard's official visit to Brussels	14
8. The French Minister for Agriculture discusses the political construction of Europe	16
9. The seat of the Secretariat of the European Parliament	17
10. The rights and duties of international parlia- mentary assemblies	20
II. <u>ASSOCIATION WITH THE AFRICAN STATES AND MADAGASCAR..</u>	25
Misgivings of the Amsterdam Chamber of Commerce regarding the association of the African States with the EEC	25

	page
III. <u>EXTERNAL RELATIONS</u>	27
<u>Chronological summary</u>	27
1. European unity in an American perspective	28
2. Views of the American Republican Party on the political unification of Europe	29
3. Official Anglo-Italian talks	29
4. Mr. Defferre in favour of British entry into the Common Market	31
5. Official visit to Rome of the King and Queen of Denmark	31
6. Denmark's political and economic position in Europe	32
7. Austria and the EEC	34
8. Swedish Foreign Minister expresses concern over EEC trade policies	36
9. Memorandum of the professional agricultural organizations on the GATT negotiations	37
IV. <u>ECONOMIC POLICY AND ECONOMIC SECTORS</u>	39
<u>Chronological summary</u>	39
1. Mr. Del Bo, President of the High Authority, interviewed on energy and iron and steel problems	40
2. A statement by the French Minister for Industry on the energy policy agreement	42
3. The success of the EEC dependent on European planning	42
4. Towards a European currency	46
5. Resolution of the Consumers' Contact Committee of the Common Market concerning cartels and monopolies	47

	page
6. German Association for Commerce and Industry comments on the EEC's common transport policy .	48
7. The Federal Government and the approximation of cereal prices	50
8. Egg marketing in the Federal Republic and in the Netherlands	51
9. Europe and the law of copyright	52
 V. <u>SOCIAL QUESTIONS</u>	 55
<u>Chronological summary</u>	55
Breakdown of scheduled discussions on the European Miner's Code	56

P a r t II

THE PARLIAMENTS

	page
<u>Chronological summary</u>	57
I. <u>NATIONAL PARLIAMENTS</u>	59
<u>Germany</u>	59
The Bundesrat defines its attitude to the EEC Commission proposals	59
a) Action Programme for social policy in agriculture	59
b) Co-ordinated annual surveys of investments in production organizations	59
<u>France</u>	60
Foreign policy debate at the French National Assembly	60
<u>Italy</u>	63
Italian Senate ratifies the Yaoundé Convention	63
<u>Netherlands</u>	64
Appointment of diplomatic representatives to the EEC	64
II. <u>COUNCIL OF EUROPE</u>	67
Political debate in the Council of Europe	67

P a r t I

DEVELOPMENT OF EUROPEAN INTEGRATION

I. GENERAL PROBLEMS

Chronological summary

- 10 April Talks in Bonn between Mr. Werner, Prime Minister of Luxembourg and Federal Chancellor Erhard on the merger of the European Executives and on Common Market questions.
- 13-14 April Congress in Frankfort of the Europa-Union of Germany. A Frankfort Programme for establishing a Federation of democratic states in Europe.
- 16-17 April Meeting of the WEU Council of Ministers in Brussels.
- 16-17 April Conference in Strasbourg of the Christian Trade Unions. Passing of two resolutions on European policy.
- 23-24 April Talks in Brussels between Federal Chancellor Erhard and the Belgian Government and the EEC Commission.
- 29-30 April Thirteenth Round Table Conference in Luxembourg on European problems.

1. Europa-Union Germany calls for a democratic European Federal State

At its 14th Ordinary Congress in Frankfort on 13 and 14 April, Europa-Union Germany announced a programme calling for an indissoluble democratic European Federal State. The new Europe could not be cast in old moulds. Antiquated international agreements and alliances did not provide a solid foundation for an indissoluble Community. Acting in a federalistic spirit, it was essential to "establish the democratic basis of the permanent federation, the European Federal State". Only with the creation of the United States of Europe would it be possible for the new and higher entity, which could peacefully resolve all internal differences and speak to the world with one voice and with one will, to be brought into being.

The European Federal State, as outlined in the programme, would possess overall sovereignty and be equipped with organs of its own: a European Government, a European Parliament and a European Supreme Court. It would have exclusive jurisdiction in the external policy and defence fields.

A great deal was to be gained from the creation of the United States of Europe. The reawakening of the European peoples, who were at present "caught up in a narrow provincialism" and "in danger of becoming spiritually impoverished", could only be achieved through the great tasks of the European Community. At world level, only the European Federal State would be in a position to bring into being the Atlantic Partnership offered by America.

A first and important step towards the European Federal State had already been taken with the creation of the ECSC, followed by the EEC and Euratom. In this way, decisive breaches had been made in national sovereignties. Six States of Europe had proved that "national sovereignties can be transferred to an overall European Community and that this Community is assured of overwhelming success if its work is varried out in the Community spirit." But more remained to be done. It was essential consistently to enlarge this Community - to which sovereignty in matters of external and defence policy had, step by step, to be transferred and whose democratic nature had to be guaranteed by "greatly extending the powers and functions of a directly elected European Parliament" - and to bring it to full maturity till the final step for the establishment of the European Federal State could be taken. The ultimate objective, however, was a Greater Europe united in freedom. The narrower Community should be regarded merely as a vanguard and should keep its doors wide

open to any European state that was prepared to accept the law of the Community.

As long as there were nationalists, the enterprise would be endangered. But everyone was a nationalist who tried to shirk this task and to restore, under a false European flag, the obsolete system of sovereign states with their claims to supremacy and big power outlook. It was essential to stand firm and to be able to say No. Only with an unshakeable resolution to take over and continue where Robert Schuman began can the struggle for Europe be won.

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"In its concern about the progress of European unification and the achievement of a real Atlantic Partnership," the Congress also calls for:

- "consistent, vigorous and unconditional implementation of the Rome Treaties and the development of the EEC into a true economic union;
- consolidation of the European Communities by strengthening their supranational structure with a view to achieving European parliamentary democracy;
- a European policy that takes into account the need for Atlantic solidarity;
- a substantial contribution by Europe to the abolition of poverty and want throughout the world".

The Congress considered that the change-over to majority decisions in the EEC Council at the end of 1965 made it essential to arrive at a common basis for European economic policy before then. Any economic decision by individual States or by the Council would therefore have to be made in the light of the general interests of Europe. This principle should be extended to include both trade with the East and agricultural policy. The Federal Government's attitude towards the cereal price question was impeding progress towards European unity and threatening the success of the Kennedy Round.

As regards the enlargement of the European Communities, the Congress insisted that the merger of the Executives should not be allowed to lead to a weakening of supranational elements.

European integration

The composition of the future single Executive should be such as to ensure the formation of a political will and the capacity to put it into effect. The European Parliament must be given the opportunity to become the "driving force behind unification"; in this connexion, it was essential that its powers and its influence on the policy of the Communities should be increased and that its members should be directly elected.

With regard to the Atlantic Pact, the Congress stressed that the European partners should not evade their military and economic obligations in making available conventional fighting forces. National nuclear striking forces in Europe were "a factor that made for disintegration". They should be incorporated in a common nuclear striking force based on a real American-European partnership. The multilateral striking force envisaged as a start was approved.

Finally, it was pointed out that the Kennedy Round should lead to ever closer economic co-operation. The encouragement of world trade should assist developing countries to build up their own economies so that they could share, as equal partners, in the increasing prosperity of the world.

(Europa-Union-Dienst, 13-14 April 1964)

2. The European Federal Movement discusses the choice between the United States of Europe and the 'Europe of Alliances'

The 10th Congress of the European Federal Movement was held in Montreux from 10 to 12 April. It concluded with the passing of a general policy resolution stating its aims.

This resolution translates into practical terms the principles of the "Federal Charter" that had been adopted the day before.

Under the terms of these texts, carried in spite of the opposition of most of the Italian delegates and some of the French delegates, every natural or voluntary organization would be independent whether it was territorial, local or provincial or whether it formed an ethnic, economic, social or cultural group.

The Federation would have its own institutions: a federal government, assemblies representing citizens of various territorial communities, economic and social councils endowed with real powers and arbitration courts. It would be open to any European people prepared to comply with the Charter and accept the Constitution. It would be no more than a stage towards world federation.

The movement decided "systematically to set up federal action committees at all levels (town, locality, region, and in the economic, social and cultural associations)". With this aim in mind, it advocated:

1. Establishing a genuine European political authority that would be independent, democratically elected and controlled by the European people's own representative bodies;
2. Merging the Community Executives and electing the European Parliament by universal suffrage;
3. An aid policy on behalf of the less-developed areas, based on co-ordinated co-operation designed to suit local needs, and integrated into economic development plans; this would be worked out and directed jointly by all the parties concerned;
4. Action, at the external level, to ease tension and speed up the liberalization begun in the East;
5. The resolution indicated that "the European Federation should be open to all democratic countries ready to accept its rules, in particular to the United Kingdom".

Finally it denounced any national or European strike force.

On this last point, the European Federal Movement decided in an annexed resolution, to confront public opinion with the choice between its own federal concept of the United States of Europe and that of General de Gaulle - 'the Europe of Alliances' - which the Movement condemned.

Consequently, the Federalists undertook, in anticipation of the forthcoming presidential elections in France, to support "the candidate endorsing their own principles".

European integration

The Congress further came out in favour of self-determination for the peoples in the countries in Eastern Europe; it condemned the Franco regime which, it stressed, was preventing the participation of a free Spain in the federative process of Europe.

(Le Monde, 14 April 1964)

3. The third European Conference of Christian Trade Unions

Leading representatives from Community bodies were present in Strasbourg on 16 April for the opening of the third European Conference of Christian Trade Unions: Mr. Jean Monnet, first President of the ECSC High Authority, Mr. Levi Sandri, a Member of the EEC Executive, Mr. Alain Poher, Chairman of the Christian Democrat Group of the European Parliament, Mr. Reynaud, a Member of the ECSC High Authority, etc.

Following speeches by Mr. Georges Levard, President of the CFTC (French Confederation of Christian Workers) and Mr. Maurice Bouladoux, President of the CISC (International Confederation of Christian Trade Unions), Mr. Pflimlin, President of the Consultative Assembly, stressed the need for a politically united Europe. Referring to the danger of a further relapse into nationalism, he added: "The founders of the EEC did not want a businessmen's Europe nor a Europe of nation states, but a Europe of the peoples."

The report by Mr. Jean Kulakowski, Secretary-General of the European Branch of the CISC, mainly dealt with relations between the unions and the European authorities. "In our participation in the development of European social policy, Mr. Kulakowski said, we are coming into conflict more and more often with a tendency on the part of governments to try to be the sole arbiters and to disbar their Community partners. This trend must be regarded as highly dangerous to the establishment of our own European social policy."

In the context of the Rome Treaties, liberal in their bias, and in an atmosphere where the influence of management was very strong, this threat was most serious, the Rapporteur stressed. He proposed a "round table" conference where European social problems would be studied by representatives of the CISC and the CISL (the International Federation of Free Trade Unions) and those of the EEC Executive.

The report of Mr. Gérard Esperet, Vice-President of the CFTC, dealt with ways of achieving "a genuine European democracy". He opposed political totalitarianism which was liable to lead to an authoritarian form of planned economy. In his view, economic power should be shared between management, trade union organisations and the democratic state. Union action would necessarily continue to be on two levels, namely the conventional action of pressing union claims and that of "participation" to the extent that the unions claim a share in economic power.

Within the OECD, the unions had to try to obtain representation on an institutional basis that would give them the scope for action they now lack. In the context of the Europe of the Six, the Europe of workers had to take the place of the Europe of businessmen, particularly through a merger of the Executives, a broadening of the powers of the European Parliament and its election by universal suffrage. Finally, and also by universal suffrage, a President ought to be elected to the United Nations of Europe - the personification of the European Community consciousness.

The European Conference of Christian Trade Unions concluded its work by unanimously adopting resolutions stating their "basic demand" for a more democratic and more social Europe.

The text concerning the establishment of true democracy recalls that "a united Europe cannot be regarded as an objective by the union unless it leads to the economic and social development of the peoples involved." The conference rejected "a Europe dominated by capital" now incipient and, at the same time, deplored the drift towards technocracy.

The conference therefore advocated more democratic Community institutions by means of a merger of their Executives as this would not impair the progress already made in European integration. It also advocated wider powers for the European Parliament and its election by universal suffrage.

With regard to economic policy, the Christian unions called for a strict application of the rules on industrial cartels and "amalgamations leading to dominant positions".

Workers had genuinely to be associated in the process of planning the economy. A European planning bureau would be assisted by a planning committee comprising representatives of management, workers and the civil service; a European territorial

European integration

reorganisation fund would be managed by a tripartite bureau and board of directors.

The resolution called upon the CISC members to widen the scope of their action in Europe, especially in co-ordinating their action in pressing claims within individual firms and in working out a "common strategy".

The delegates established a list of medium- and long-term priorities and called for a schedule for their achievement.

They also felt it desirable to set up consultative committees for each branch of industry, on which the social partners could meet. In the framework of a larger Europe, the social policies of the OECD, the Council of Europe, EFTA and WEU had first to be harmonized. The timing for ratifying and signing the ILO conventions ought to be established now.

(Le Monde, 17, 19-20 April 1964)

4. Thirteenth Round Table Conference on European problems

The thirteenth Round Table Conference organized by the Association for the study of European problems was held in Luxembourg from 29 to 30 April 1964. On this occasion Mr. R. Reynaud, a member of the ECSC High Authority, submitted a report on the future of the basic industries. He recalled that the basic industries included not only coal and steel but also the aluminium plastics, electronic and nuclear industries. Mr. Reynaud was of the opinion that the experience gained by the ECSC over the past 12 years could usefully be made available to these industries. In his view "a number of rules - many of which had proved their usefulness to the key industries of coal and steel - could in due course and subject to adjustments (to allow for the special features of individual industries), be applied to the other basic industries." These rules covered price quotations, non-discrimination on transport rates, compulsory notification of investments, declaration of aims.

Broaching the problems that would arise from the system of competition to which these basic industries would be subject, Mr. Reynaud suggested that the rules laid down by the ECSC Treaty be made more flexible: "other rules, such as those covering cartels and concentrations need to be made more flexible because

present technical, economic and political conditions are not the same as those that obtained at the time when they were established. They would, moreover, not always be appropriate to the structure of the new industries involved." It appeared desirable to replace the ideas of prohibition or authorization, contingent as they were on essentially quantitative criteria, by a more subjective economic appraisal of the cartel or the concentration under consideration. The right to make such wider assessments devolving on those responsible for control would have to be balanced through their decisions assuming a greater authority.

The representative of the High Authority also expressed his views on the merger of the executives: "In the national parliaments the ministers are jointly responsible for the overall policy and severally responsible for directing a particular sector; in the same way, at the Community level, the direction of different sectors could be entrusted to different sections of the common executive."

"At the present stage of Europe's general integration, I do not feel that the responsibility for a vital sector of the economy in six countries could reasonably be vested in one man only, particularly where one referred to familiarity with the problems of the other communities or to overall appreciation. It is still necessary for men who are thoroughly acquainted with the specific problems of the different parts of Europe, if not for men of each country, to compare notes."

Mr. Reynaud advocated a division of work according to whether general policy or implementing decisions were involved: "The common executive would thus have to decide or make proposals on matters concerning treaty amendments, trade and customs policy, taxation policy, cyclical policy, long-term development policy and on any question of overall principle affecting the European Community, even if only relating to one special sector."

"However, it would be for the specialized sections within the common executive to take decisions implementing the rules applicable to the basic sector, in so far as they did not impinge on the overall policy, or to give effect to general policy principles that had been jointly agreed. In addition to their own powers of decision, the specialized sections would be responsible respectively for drawing up and implementing the decisions taken by the joint executive in regard to their special sector."

European integration

"Three specialized sections could thus be set up within the common executive. They would have special responsibility for the basic industries, agriculture and the economy generally. The important spheres of general scientific research and of transport could be the responsibility of committees attached to one of these specialized sections or directly to the common executive."

The speaker considered that "such a political structure would in due course make the problem of locating the institutions more amenable to solution, for a single capital would not be indispensable from the administrative point of view; it might even be better for the European Community's special responsibility in regard to the basic industries to find expression in the choice of the particular headquarters for its administrative services and of the authorities that would be running them."

In his closing address, Mr. P. Werner, Prime Minister of Luxembourg, emphasized the usefulness of the suggestions put forward by Mr. Reynaud. He gave it as his opinion that decentralization ought not to be neglected in the European Community. Not unlike great national states, the European Community was faced with this problem at the outset. A political organization in which it was intended that the Member States should retain their own individuality and that was to be built on the basis of irreplaceable and manifold historic and cultural factors, had to give due attention to this idea of decentralization, both in the interest of sound economic and administrative management and in the interest of prestige and of preserving the balance between large and small states.

He further observed that Mr. Reynaud's suggestion concerning the basic industries was worth considering as it was a revival of the principle underlying the first economic Community, by applying it to present objectives. It also deserved attention because it was in key with the concern now appearing at the world level that there should be a better organization of the markets for raw materials and basic products.

(Luxemburger Wort, 4 May 1964; Le Monde, 30 April 1964)

5. Steps for the promotion of the political unification of Europe: a debate on Italian television

"What steps should be taken to revive the process of political unification in Europe?" was the theme of a debate in which parliamentarians holding varied political views took part on an

Italian television programme. The highlights of the debate are given below.

According to Mr. Orlandi, Social Democrat, the two proposals made in Brussels on 25 February by the Italian Foreign Minister, Mr. Saragat - on the election of the European Parliament by universal suffrage and the merger of the Executives, due to be finalized by the end of the current year - were worthy of note and of immediate relevance to the political reunification of Europe. The merger of the Executives was certainly a step forward but, according to the speaker, the necessary corollary would be to proceed with the merger of the institutions and, therefore, of the Treaties.

The other measure - the direct election of the European Parliament - was of particular value and importance in that it could be taken for granted that by the time the elections were held, the idea of Europe, which was still in the formative stage and had not taken hold of public opinion as a whole, would take concrete shape because the people, called upon to elect their parliamentary representatives to this body, would necessarily take cognizance of this new reality.

For Mr. Zincone, Liberal, alongside the problem of the election of the European Parliament by universal suffrage, which would undoubtedly have a psychological effect on public opinion that would foster the political revival of the European idea, yet another would be immediately posed. He referred to the existence, creation or establishment of that supranational power of decision that at present existed in one of the Communities, that might tomorrow be wielded at meetings of the Executives, but which above all should be conferred on the European Parliament, since obviously without this, there could in fact be no real European unity.

Another problem that would inevitably prove a stumbling-block in 1965 and which, in the speaker's opinion, was perhaps the gravest issue for European unification, was that of relations with the United Kingdom. Whether the present Conservative Government was re-elected or whether, as seemed more likely, the Labour Party was returned to power, the United Kingdom would be faced with a decision, and the decision it reached would in turn call for a decision by Europe.

Mr. Zagari, Socialist, stated that the choice today lay between two basic alternatives: a democratic or a "Gaullist" Europe. Everyone realized that, as things stood today - the

European integration

development of economic Europe being irreversible - a political Europe was essential. This Europe, however, would have to be one in which the peoples controlled development towards federation and the process of integration, a Europe that was geared to the prevailing easing of world tensions. The presence of Socialists in the Government and the federalist pledge of the Italian Socialist Party meant therefore recognition of the need to create a democratic Europe whose basic aims were the consolidation of peace through general and nuclear disarmament, and in which the people as a whole controlled the processes of economic integration.

Finally, Mr. Pedini, Christian Democrat, after stressing the advances already made in economic integration, stated that a Europe united in a purely economic sense could not discharge its existing world responsibilities. It was therefore reasonable to ask how its political unification could be achieved. Political unification transcended economic unity and implied a transformation of the whole idea of national sovereignty and the gradual transfer of the powers of the Six to new political bodies. There was no doubt, however, that at present political unification was difficult to achieve.

What - asked the speaker - could be done at this stage for the political unification of Europe? First and foremost, it was essential to preserve what already existed of economic Europe, for this was at once the instrument and foundation for building the future political Europe. There were also the 1958 Treaties of Rome which, gradually implemented within the time-limits laid down, would inevitably lead to repercussions of a political nature and to nationality being transcended. At the moment, however, the most profitable course would be to try to adhere strictly to the timetable laid down in the Rome Treaties, to carry out the merger of the Executives and to broaden the powers of the European Parliament.

In conclusion, the speaker expressed the hope that steps would be taken to win over public opinion as a whole to the cause of European political union. The birth of a political Europe depended not on diplomats or ministers but on a sense of awareness among the working classes and the liberal professions, and above all on the sense of dedication of schools in preparing the young for this new European and world environment.

(From reports of the Italian Television Services)

6. Mr. Saragat, Italian Foreign Minister, interviewed on European problems

In an interview granted to "Relazioni Internazionali" - a weekly review specializing on foreign policy - Mr. Saragat, Italian Foreign Minister, explained Italy's point of view on the main problems of European unification.

After insisting that, for Italy, a united Europe without the United Kingdom was as inconceivable as it would be without France or other democratic countries of our continent that accept the spirit and the letter of the Treaties of Rome, the Minister went on to say that European unity could only acquire its true historical significance on a continental scale if Europe were freely and closely associated with the United States of America. This did not mean that Europe should be subordinated to the great North American Republic but simply that the destinies of the two continents were indissolubly linked. For Italy, therefore, the creation of a Europe that was open to the United Kingdom and linked to the United States on a basis of absolute equality, was a task of transcendental importance to which democratic forces in Europe should apply themselves wholeheartedly in the certainty that they were moving along the right road.

Italy - continued the Minister - was also working for the construction of a Europe in which Member States would gradually transfer a measure of their sovereign rights to collegial bodies subject to effective parliamentary control by democratically elected representatives of the people.

This was the aim that had to be kept in view and from which inevitably arose the need for the direct election of the European Parliament by direct universal suffrage, as provided for in the Community Treaties. Although these did not lay down any definite time-limit for such elections, it should be borne in mind that, by implication and analogy, these would have to be held not later than on completion of the European Common Market, i.e. by 1 January 1970. On 25 February 1964, the Italian Government therefore submitted to the EEC Council of Ministers a proposal for achieving this objective, at least partially, as from 1 January 1966. This first step should enable the elections to be completed as laid down by 1970.

The elections would play a decisive part in awakening in the peoples and leaders of Europe a real and personal European consciousness. This would fully justify a substantial widening of the powers of initiative and control of the European Parliament and, leading as it would to the establishment of a real

European integration

European and supranational legislative body, would favour, and indeed necessitate, the setting up of a political body of the same nature. If any opposition still remained to the political integration of Europe, this would inevitably give way before the democratically expressed will of the European peoples.

(Relazioni Internazionali, 4 April 1964)

7. Chancellor Erhard's official visit to Brussels

At the invitation of Mr. Théo Lefèvre, the Belgian Prime Minister, Dr. Ludwig Erhard, Chancellor of the Federal Republic of Germany, paid an official visit to Belgium on 23 and 24 April 1964.

At his press conference on 24 April, Chancellor Erhard pointed out that the subject of relations with Great Britain had been deliberately avoided so as not to interfere in any way with the election campaign. The fact remains, nevertheless, that while it is not intended, on either side, to take political steps toward European unification before British elections are over, Brussels and Bonn felt that other European possibilities could be considered during the interim period: the merger of the Executives, the integration of agriculture, etc.

While there may be scope for agreement on these points, there were no factors, in Dr. Erhard's opinion, that would warrant at present a European summit on the question of European unification. It is obviously the intention of all parties concerned to proceed from the stage of economic integration to that of "stronger political cohesion", but approaches to the problem still differed too much. "No single formula is ripe enough", Dr. Erhard added. He let it be understood, however, that it was not unlikely that certain political ideas might take a practical form in the future. However, these would only be "minor steps".

Discussing the Kennedy Round tariff negotiations, Dr. Erhard stated that Brussels and Bonn agreed in recognizing that these negotiations were the touchstone of co-operation in Europe and with America. The question of cereal prices and its repercussions on the Kennedy negotiations was examined in this connexion. "The German standpoint with regard to the Mansholt Plan has not changed", said the Chancellor in substance, while emphasizing that the Bonn Government would avoid any move that might jeopardize the outcome of the Kennedy Round. For the Federal Republic, Dr. Erhard observed, it was a matter of safeguarding its agriculture. He admitted, however, that while

political reasons and the forthcoming elections in Germany had not played a decisive part in the rejection of the Mansholt Plan, they had nevertheless had an influence on the German decision.

At the close of Dr. Erhard's visit a final communiqué was issued. With regard to the problem of European integration, the communiqué reads as follows:

"The Federal Chancellor had extensive talks with the Belgian Prime Minister. These took place in a very cordial and frank atmosphere; they confirmed the identity of views of the two Governments on all important issues of world policy. The meeting demonstrated the importance attached by the two Governments to the future development of the already close and friendly relations between the two countries.

Considerable attention was given during these talks to recent developments in European policy, as well as to the possibilities of pursuing the process of European unification. The two Governments hope that the task of building the European Economic Community will be relentlessly continued. They consider, in particular, that the merger of the institutions of the European Communities fixed for 1 January 1965 represents the first felicitous step towards the merger of the Communities themselves. However, the task undertaken by the three Communities would remain incomplete without European unification. Various ways of making the aim of a unified Europe on an open and democratic basis acceptable to other European countries were examined. On the road towards this aim, the two governments will endeavour to promote the gradual broadening of the powers of the European Parliament.

In this connexion the two Governments attach special importance to closer co-operation with Great Britain and other European countries. They therefore intend to devote an increasingly large place to contacts within the framework of the Western European Union and to co-operation within the Council of Europe.

In the opinion of the two Governments the tariff negotiations of the Kennedy Round represent the touchstone of co-operation in Europe and with America. For this reason, the two Governments are doing their utmost to ensure the success of these negotiations. They hope thereby to strengthen co-operation with the United States and bring about closer interdependence of world trade.

European integration

In addition, the Federal Chancellor and the Belgian Prime Minister discussed a number of topical issues raised by the need to strengthen the Atlantic Alliance and its organization. They had an extensive exchange of views on the project of a multi-lateral maritime atomic force. The two Governments also re-affirmed their conviction that NATO represented the surest safeguard of peace and freedom in the world. They stressed the need for closer co-operation with the United States of America.

Trade relations between Germany and Belgium have largely increased to the satisfaction of both countries. A fruitful exchange of views took place regarding the economic situation in the two countries and on the recommendations made with regard to cyclic trade policy by the European Economic Community Commission. These recommendations had been approved during the latest meeting in Brussels of the Council of EEC Member States, their aim being to ensure greater co-ordination of the economic policy of the Community countries."

(Le Soir, 25 April 1964; Official press communiqué)

8. The French Minister for Agriculture discusses the political construction of Europe

While mainly dealing with agricultural problems in his opening speech at the Regional Agricultural Show in Bordeaux, Mr. Pisani also referred to the difficulties of the political construction of Europe.

The minister stressed that although it was easy to negotiate on texts, it was much more difficult to set up an administration run by the representatives of six different states. He remarked that these difficulties would come to a head during the subsequent Kennedy Round negotiations.

"If any dispute arose between the representatives of the Six, the ensuing situation would be serious. We are thus faced with problems that are intrinsically political", Mr. Pisani added. "Can we imagine Europe's development going forward without these problems being raised?" he asked.

He recalled that France's definite insistence, for example, on the important deadline of 31 December 1963 for last year's agricultural marathon - if impartially seen - would show that it had actually hastened the construction of Europe.

"There is no express desire at the present time among the Six to go on to an integral political system," the Minister explained, "for none of the States is now in a position to propose more than an enquiry into the possibilities of such a system let alone a European structure."

The speaker took the view that it was not possible to specify the timing of the political construction of Europe for "the attitude the younger generation of this country will take on this problem remains an unknown factor."

Dealing with economic questions threatening to overlap into the political sphere, he asserted that Europe's agriculture was better tailored to its consumers than France's agriculture was to hers. "I have become convinced that the machinery in Brussels is sufficiently flexible and that viewpoints are sufficiently in harmony to enable us to avoid any fatal developments, even though controversies may occur as we progress."

(Le Figaro, 29 April 1964)

9. The seat of the Secretariat of the European Parliament

Writing in "Nieuw Europa", the monthly organ of the European Movement in the Netherlands, Mr. W.J. Schuijt, Rapporteur to the European Parliament's Political Committee on the subject of the seat of the Secretariat of the Parliament, devotes a number of observations to that problem.

Mr. Schuijt draws attention to the readiness of the Luxembourg Government to accept the principle of a negotiated solution that takes account not only of the need for certain political and economic compensations in the event of a new geographic distribution of Community Institutions but also of their present dispersion over a vast area. Mr. Schuijt added that "this cautious attitude of the Luxembourg Government makes it quite clear that although the merger will render the work of the Executives more efficient, it will not solve the problem of the dispersion of the various offices throughout Europe." Although one could understand the concern of a number of countries regarding the economic consequences of the transfer of one or more institutions, priority would always have to be given to the interests of the Community.

European integration

It was of particular interest to Europe that its development should proceed along democratic lines. The essential need was not for this or that form of European structure but for such a structure to be democratic. One of the basic features of any democratic system was the control exercised on the way it used its powers. The power of decision in the European Community lay essentially with the Council acting in close co-operation with the Executive Commissions. The Parliament exercised no direct influence on the Council. It did however exercise an influence on the Commissions and on their acts or omissions in that it could force the Executives to resign. Centralization of the powers of the three existing Executives would result in a strengthening of the powers of the future single Executive.

There therefore seems to be ample justification for the view maintained by various governments - among them that of the Netherlands - that the broadening of the powers of the single Executive should be accompanied by an increase in the powers of the European Parliament. Now, one of the main conditions for strengthening the European Parliament's functions was to rationalize its working methods. At the moment the European Parliament could be described as an itinerant assembly, but one devoid of any special touristic attraction. Nowhere did it possess an effective base from which to work. For its plenary meetings it enjoyed the truly generous hospitality of the Council of Europe in Strasbourg. The Secretariat was in Luxembourg. The meetings of parliamentary committees were held in all the cities of Europe but mainly in Brussels. In 1962, of a total of 281 days, 243 were devoted to committee meetings. Since 1959 (when 195 meetings were held) the number has steadily increased. In recent years, the Parliament had been convened in plenary assembly for an average of 30 to 40 days per year, spread out over six to seven weeks. This meant that it had been convened at about the same frequency as the Bundestag of the Federal Republic. Of the 243 committee meetings, 105 were held in Brussels, 101 in Strasbourg, 10 in Luxembourg, 14 in Paris, 2 in Rome, 2 in Bonn, 2 in Berlin and 7 in other cities. These meetings, which formed the core of parliamentary activity and during which views were exchanged with representatives of the Executive, were normally attended by some of the hundreds of officials of the Secretariat who live in Luxembourg. On more than one occasion, representatives had to remain for several days at a stretch in Brussels where there were no facilities for efficient utilization of their time - no office space and no documentation or administrative services. Were it only for these reasons, it would be desirable to centralize the activities of the European Parliament.

An even more telling argument appeared to be the political one. Close contact with the Executive Commissions was a prerequisite for satisfactory democratic development. This contact

was now being put under a severe strain with the Secretariat of the Parliament stationed nearly 200 miles from Brussels. In order to avoid everything being reduced to a dialogue between technocrats - officials of the Executive Commissions and of the Secretariat of the Parliament - it will be necessary to transfer the centre of gravity of parliamentary activity close to the Executive Committees. Just as in 1952 the Secretariat of the European Parliament moved from Strasbourg to Luxembourg so as to be near the ECSC Executive, so it should follow the single Executive when it established itself in Brussels. The centre of gravity lay in the common seat of the Secretariat and of the Parliamentary Committees and could only be that of the Executive. Provisionally, plenary sessions could continue to be held in Strasbourg. However, it appeared highly desirable, if not absolutely essential from a political point of view, that during the current discussions on the merger the importance for the democratic development of Europe of the single Executive and the Parliament having one and the same seat should be clearly established. Obviously, this might not meet the wishes of any one State but certain sacrifices were inevitable in the interests of democratic progress in the Community.

This would therefore be a "test case", particularly for the Parliament which would have to consider whether the objective requirement of efficient parliamentary activity was not more important than a number of subjective and irrational considerations arising from certain national interests or from a fear that there was a tendency to go too far in dealing with the problem of the single seat and establishing a massive concentration of institutions and departments. Some institutions, such as the Court of Justice and the European Investment Bank, possessed such a high degree of independence that it was not necessary to centralize them in one place. The European Parliament presented an essentially political rather than a technical problem. Certain technically independent departments, such as the Statistical Department, the Coal Office and an eventual "Cartels Department" could no doubt be left uncentralized. There was no political reason for separating the seat of the Executive from that of the supervisory body. If a centralized streamlined Executive took up its seat in one country and a reinforced parliamentary supervisory body in another, this would weaken the democratic structure of Europe.

(Nieuw Europa, March 1964)

10. The rights and duties of international parliamentary assemblies

The lessening of real powers of national legislative assemblies has been set off in some cases by the creation of international assemblies of a parliamentary nature. This is one of the most typical and interesting phenomena in international affairs. It may be regarded as an expression of the desire to introduce a form of public opinion representation in international organizations, i.e. an expression of the will of the people (in as yet an indirect form but tending to become more and more immediate). This type of representation fulfils the function - with regard to these new powers - of parliamentary assemblies in individual states. It is worth pointing out to what extent and in what way this intention has been achieved.

There are at present five assemblies of an international parliamentary type - the Consultative Assembly of the Council of Europe, the European Parliament, the Assembly of the Western European Union, the Benelux Interparliamentary Council and the Nordic Council.

The characteristic feature of the European assemblies lies in the fact that they are composed of parliamentarians only - in fairly large number - and that they exercise or tend to exercise parliamentary functions based on parliamentary procedure. The members of the parliaments act in that capacity, are free to vote without being subjected to any directive and are grouped together in accordance with political adherence rather than by nationality. In short, European assemblies are the nearest approximation to a parliament on an international scale or, to put it more explicitly, are or endeavour to be the closest possible reflection of the chambers from which their members are recruited.

The activity of these parliamentary assemblies is normally carried out in the field of international relations. For a long time foreign policy has been regarded as a prerogative of the Executive. Parliamentary means of action were restricted to endorsing treaties (where this was required by the Constitution), to political control carried out in particular by means of contacts between parliamentary committees for foreign affairs and the minister concerned and finally to questions or interpellations. Some measure of intervention was also possible on passing budgets. On the whole, however, the control of foreign affairs, international negotiations and international organizations escaped to a very large extent the jurisdiction of the chambers and parliamentarians hardly played any part in it.

To assess the extent of the changes that have occurred since then, we must consider the overall development of international affairs. Changes in the world have endowed the State with increasingly responsible duties. At the same time, international relations have increased because large sectors of national activity - particularly economic activity - have been subjected to an international discipline. Thus international organizations have been created and given extensive powers and competence. They have withdrawn large spheres of activity from the normal control of domestic constitutional bodies. While governments have always retained in these international organizations, in some form or other, the final power of decision, the means of intervention of the Parliament have obviously decreased. It is by no means certain that the parliaments were clearly aware, when ratifying, for example, the treaties establishing the European Communities, of all the limitations these entailed on their competence. The fact that these organizations - and particularly the ECSC, which wields considerable powers - have been reproached at times their "technocratic" attitude, reveals the awareness of a shift in the balance of powers towards the Executive. On the other hand, one finds a very large participation of parliamentarians in international activities; the reason for this is undoubtedly the wish of the governments to secure, by their individual participation, the endorsement of their foreign policy by parliamentarians. In addition, the pressure exerted by the parliaments in order to extend their competence in this field and the anxiousness of the parliamentarians not to be faced with any "fait accompli" when international negotiations are concluded have also played a part.

If we consider the essential functions of a parliament i.e. passing laws and budgets and exercising political control over the executive, we find that the European Parliament is the only international assembly in which a trace of these functions may be found. However, even within the European Communities where borrowings from public law phraseology and methods are fairly extensive, there still remain basic differences in relation to national parliaments, while divergent concepts frequently give rise to difficulties and misunderstandings. An oft-recurring observation, for example, is that the European Parliament lacks actual legislative competence. This generally implies that it does not take part in the formulation of capital decisions reached in the European Communities. It may be argued, however, that the "regulations" laid down by the European Communities do not correspond in theory to "laws" as understood in domestic public law but are more closely akin to the "by-laws" which the Executive is empowered to enact under the Constitution. In fact, however, treaty provisions that have to be implemented in accordance with regulations are so numerous that they often have a fundamental nature which, in a domestic context, would be that of a law. Should this be otherwise, then the European Parliament

European integration

should be enabled, if it held the powers of a national parliament, to repeal "regulations" by reference to the matter brought under regulation. But this is not so. It must therefore be acknowledged that in view of its lack of any normative competence, the European Parliament cannot be regarded as a "legislative" body.

The budgetary powers of the European Parliament are a further source of misunderstanding. National chambers are by tradition responsible for passing taxes and budgets, that is to say that their approval is necessary in order to impose taxes on the citizen and to spend public funds. International organizations are, with the exception of the ECSC only, subsidized by government grants. These amounts are therefore already mentioned in the national budget and accordingly subject to parliament's approval. The only purpose there may be in endowing the European Parliament with a decision-making power in this respect would be to entitle it to impose on Member States the contribution of a given amount or to decide on the appropriation of the resources. Once again, however, the European Parliament has no such right.

An analysis of the parliamentary functions of the European Parliament yields therefore a fairly meagre result: no legislative competence, restricted control over the Executive, no budgetary competence. This balance sheet is not as negative as it may appear at first sight since political control is gradually gaining greater effectiveness and strength. Practical application has in fact added numerous provisions. Political control is actually carried out by means of questions, committee debates and constant collaboration. As a forum of public opinion the European Parliament has asserted itself as a political source of inspiration and driving force. These less obvious but probably just as essential aspects of parliamentary activity are being considerably developed in European assemblies.

The European assemblies have considerably enhanced their consultative function by applying parliamentary methods that are familiar to their members. Being responsible for their agendas, they have grown into the habit of getting their debates to bear on matters where no prior requests for opinions had been addressed to them. By expressing support as well as suggestions and criticism, they have gained a right of initiative which is no longer disputed. They are thus taking an undeniable part in the activities of the other bodies.

The important results obtained so far by this initiative should be stressed. We know that in domestic legislation most laws derive from government bills: very few bills are initiated

by the Parliament and fewer even are passed. In the Council of Europe, this proportion is clearly reversed to the extent that nearly all the conventions concluded in the Council of Europe originate in resolutions or recommendations of the Consultative Assembly.

We even find that, starting from the consultative power, the European Parliament has achieved an implicit form of control over the Councils and Ministers of the Communities. The latter, which are bound by the treaties to consult the Assembly on certain decisions only, have had to impart their relations with the Parliament with a less intermittent nature. After having willingly accepted to reply to written questions put to them by the parliamentarians (on the mere legal basis of the Parliament's self-assigned rules of procedure), the Councils have accepted to receive opinions on matters where consultation was not provided for. Similarly, they have accepted in general proposals for collaboration put forward by the Parliament on specific problems. The consultation procedure has turned out to be more fruitful than was expected. In brief, apart from a possible vote of no confidence, which the treaties authorize only in regard to the Commission, a more effective control over the activities of the Councils is taking place without any legal basis and merely through the use of national parliamentary methods.

The following conclusion may be drawn from the foregoing:

a) the era of absolute national sovereignty has come to an end. The sphere of subjects where governments have always retained a power of final decision has narrowed: the logic of the systems which the states have adopted, development and interdependence and increasing pressure from various circles have led them to restrict their freedom more and more.

b) for a long time international activity consisted in collaboration between governments, confined in practice to ministers and ministries for foreign affairs. Now, however, increasingly larger sectors of the Executive take part in it. Co-operation has also been extended to the Parliaments and the preamble of the Convention setting up the Benelux Council explicitly states that "regular co-operation between the three parliaments" will tighten the links between the participating states.

c) international organizations - in Europe at least - tend to introduce a separation of powers and a distribution of functions as provided for in public law. Admittedly a wide gap remains between the rôle of the legislative power in Belgium and that of the European assemblies. There is, however, among domestic law publicists, a school of thought according to which

European integration

the legislative function of the Parliament is a remnant of the past while its true function in the present world should be to control and actuate government policy. In so far as this theory is true, it may be stated that European assemblies closely conform to the pattern gradually being taken on by the national parliaments. It is rather remarkable, for instance, to find that the European Parliament has almost the same competence and powers as the French National Assembly had under the 1958 Constitution. While the Belgian Parliament does not recover in the European assemblies the competence of which it has been deprived, it may be said, on the other hand, that European assemblies tend to preserve, at the international level, what is essential to a system of parliamentary democracy.

("Internal repercussions of Belgium's participation in international organizations". Royal Institute of International Relations, Brussels)

II. ASSOCIATION WITH THE AFRICAN STATES AND MADAGASCAR

Misgivings of the Amsterdam Chamber of Commerce regarding the association of the African States with the EEC

At the recent meeting of the Amsterdam Chamber of Commerce, concern was expressed regarding the Convention of Association between the EEC and a large number of African States. It was feared that the preferential treatment given to a number of countries with which the trade of the Netherlands was somewhat restricted might damage her relations with other overseas countries, such as Nigeria, Ghana, Kenya and Uganda, which are of greater importance from the point of view of Dutch trading and shipping activities.

Mr. W. Rehbock, Director of the Hollandsche Stoomboot Maatschappij, feared that the Yaoundé Convention, by diverting trade to countries that received preferential treatment, would indirectly harm nations with which the Netherlands had the closest interests. The Netherlands would do its utmost to keep the adverse consequences of the preferential system down to a minimum.

The speaker said that the greatest importance should be attached to the EEC Council's agreement to extend to other countries the necessary facilities for concluding agreements that enabled them to establish special relations with the Community. Negotiations to this end should be pursued with utmost energy.

If Nigeria's application for association were held up too long, it might strengthen the impression that the EEC was interested primarily in the French-speaking countries of Africa and had the undesirable aim of establishing a special bloc. Mr. Rehbock was anything but optimistic as to the consequences this might have on the Netherlands' economic relations with Nigeria and other English-speaking nations of Africa.

The Chamber of Commerce would convey its concern regarding this question to the competent authorities.

(Nieuwe Rotterdamse Courant, 3 April 1964)

III. EXTERNAL RELATIONS

Chronological summary

Denmark

20-22 April State visit to Italy by the King and Queen of Denmark accompanied by the Minister for Foreign Affairs.

United Kingdom

23 April Visit to London by Mr. Gaston Defferre, Socialist candidate for the French Presidency; talks with Sir Alec Douglas-Home and Mr. Harold Wilson.

27 April-1 May Official visit to the United Kingdom by Mr. Moro, President of the Italian Council. Talks with Sir Alec Douglas-Home and Mr. Harold Wilson.

Lebanon

15 April Mandate to negotiate a trade treaty between the EEC and the Lebanon passed by the EEC Council.

External relations

1. European unity in an American perspective

Ambassador Tuthill, U.S. representative to the European Communities, addressed the Institute of International Political Studies in Milan on "European unity in an American perspective".

After paying tribute to the long line of Italians who had fought so resolutely for the creation of a united and democratic Europe, Mr. Tuthill outlined current problems of commerce and international relations tracing their causes and stressing the close connexion between international crises in the political and economic spheres. "At the end of the first world war, attempts by various States to unload the burden of the crisis on to others led to a general crisis, with no hope of salvation for anyone. Economic nationalism had proved bankrupt. It was this disastrous failure to solve the economic problems that followed in the wake of the first world war that led Europeans and Americans to seek another basis."

Mr. Tuthill recalled the efforts made by the United States, first during the second world war to avoid peace being ushered in amid grave economic problems, and then with the Marshall Plan and other aids for Europe. He stressed that the United States had warmly supported the creation of the European Coal and Steel Community which represented a new phase in the history of Europe and was followed up by the EEC and Euratom. Europe had thus embarked on what American statesmen considered the most suitable course: that of a united body that could become America's partner in a vast Atlantic Alliance embracing political, military and economic relations.

Mr. Tuthill quoted passages from speeches by President Kennedy and a recent speech by President Johnson, as evidence of the U.S. Government's pledge to help towards the construction of a strong, closely-knit Europe. He dwelt on the world trade negotiations about to commence, outlining the position of the United States and emphasizing the importance his country attached to their successful conclusion. "The economic and political importance of these negotiations is borne out not only by our views on the present but also by our memories of the past. Multi-lateral world trade free from discrimination can give more breathing space to world prosperity. Discrimination and bilateral agreements cannot fail to sow the seeds of recrimination, bitterness and revenge." Mr. Tuthill concluded by stressing the positive effects that a general reduction of tariffs would have on world prosperity and, therefore, on the stability of democratic institutions.

(Relazioni Internazionali , 18 April 1964)

2. Views of the American Republican Party on the political unification of Europe

The Critical Issues Council of the Republican Party has published a study on "The Atlantic Alliance and United States security" which, in addition to dealing with questions connected with NATO and the United States' rôle in the Atlantic Alliance, also devotes a chapter to the problems of European integration. The question is raised as to whether Washington's interests will continue to lie in working towards a union of a special military or political type confined to the European countries or even to only a few of them. "It is by no means certain that what is of advantage to a narrow circle of members - the EEC - will serve the interests of the others or of common defence. The original grounds for America's enthusiasm for European unification have today lost much of their force and now scarcely appear to be justified. The psychological unity of the old world and the advances made in armament techniques have made war between Europeans inconceivable. As the EEC demonstrates, effective economic union does not appear to depend upon political integration. At all events fears of a resurgence of German militarism have become groundless as a result of the Federal Republic's membership of NATO and its reconciliation with France, its traditional enemy. The time has come to re-assess opinions on the unification of Europe - whether in federal or supranational form - in the light of United States interests. The standard to be applied must be the strength of the West and its solidarity. The United States were ready to make economic sacrifices at the altar of European unity - at least in theory, although in practice there was of course the chicken war - on the assumption that economic integration would be the precursor of political integration. Today there is no sign of the latter, and even if there were, it is no longer by any means certain that political integration could be reconciled as a whole with the interests of the USA and of the Alliance."

The study does call on Washington to reserve the policy it has so far pursued on European unification, but recommends that this question should be left to the Europeans to deal with and that no pressure should be applied that would favour a particular form of European integration. The danger of an exclusive, inward-looking Europeanism could in this way be eliminated.

(Neue Zürcher Zeitung, 24 April 1964)

3. Official Anglo-Italian talks

Mr. Moro, the Italian Prime Minister, visited the United Kingdom from 27 April to 1 May at the invitation of the British Prime Minister, Sir Alec Douglas Home, with a view to increasing

External relations

"mutual understanding in the spirit of Atlantic solidarity and of the resolute pursuit of European construction".

During his stay, Mr. Moro held a series of meetings with members of the Government and of the Opposition and attended a number of functions of a political and cultural nature.

In a speech before hundreds of British and foreign journalists, Mr. Moro outlined the objectives of the Italian Government in connexion with home and foreign policy. Italian foreign policy hinged on the Atlantic Alliance which had not only promoted a balance of forces, conditions of security and peace but had also ensured "the social and economic development of the West and remains the surest safeguard of the free progress of our peoples."

"Progress today", went on Mr. Moro, "should in our view be directed along the lines of an association between equals. It should create the conditions necessary for a real Atlantic partnership, which is essential for the achievement of European unity. The partnership should in fact be based on the two great pillars - Europe and the United States, linked together by indissoluble bonds of solidarity."

Italy was therefore encouraging any initiative that could assist the development of European unity... "A united Europe appears essential to us for reasons of stability, equilibrium, security and above all economic, social and cultural progress - objectives henceforth beyond the reach of the individual nations".

Mr. Moro added that economic agreements, even if they were as important as those of the EEC, no longer sufficed of themselves. They should instead be regarded as stepping-stones to political unity "if Europe is to accomplish its tasks in the era in which we live, if it is not rapidly to become a relic of the past." Mr. Moro again stressed that the Europe of tomorrow would be incomplete without the United Kingdom.

Moreover, it should not be modelled on lines of self-sufficiency in opposition to other groups of States but should be linked by strong bonds of solidarity to the North American countries. This was another reason why the Italian Government attributed so much importance to the coming Kennedy Round negotiations in Geneva,

The communiqué issued after the political talks between Mr. Moro and Sir Alec Douglas-Home stated that "the Prime Ministers reaffirmed their common aim of building European

unity within the framework of the Atlantic Community and their belief that the objective requires full British participation in the political and economic development of Europe. They are agreed on the importance for trade and for future progress of a successful outcome to the Kennedy Round negotiations and the United Nations' Conference on Trade and Development."

(La Stampa, 27 April-1 May 1964)

4. Mr. Defferre in favour of British entry into the Common Market

Mr. Gaston Defferre, Mayor of Marseilles and socialist contender for the French presidency, had during his stay in London on April 23 meetings with the Prime Minister, Sir Alec Douglas-Home, and with Mr. Harold Wilson, the Labour leader.

At a press conference later on, Mr. Defferre, in Britain at the invitation of the Labour Committee for Europe, repeated his view that Britain should join the Common Market and that General De Gaulle had acted wrongly in shutting the door so brutally. Europe with Britain, he said, would be better balanced both politically and economically, but he refused to divulge how he was prepared to help the entry.

He pointed out, however, that if the question arose after the 1965 election the situation would be entirely different from what it was two years ago. The general, he said, had not put any conditions on Britain's entry. He had simply thought that as an island this country was not part of Europe. M. Defferre emphasized that in or out of the Common Market England and France must cooperate on economic problems.

(The Times, 24 April 1964)

5. Official visit to Rome of the King and Queen of Denmark

The King and Queen of Denmark, accompanied by Mr. Haekkerup, Danish Foreign Minister, paid a state visit to Italy from 20 to 22 April at the invitation of Mr. Segni, President of the Republic.

The official communiqué issued after the meetings, during which the leaders of the two countries exchanged views at length on major international problems, referred to the fact that

External relations

"both parties reaffirmed their conviction that the Atlantic Alliance offered the surest guarantee for the preservation of peace in security and for the defence of the ideals of freedom and democracy. European questions were made the subject of a copious and searching exchange of views that confirmed the existence of a common resolve to continue to work actively for the unification of Europe".

(Relazioni Internazionali, 20 May 1964)

6. Denmark's political and economic position in Europe

Mr. Per Haekkerup, Danish Foreign Minister, held a conference on 24 April at the headquarters of the Institute of International Political Studies in Milan on Denmark's political and economic position in Europe.

After outlining the basic conditions governing the existence of the Danish people as a democratic and independent nation, Mr. Per Haekkerup stressed the interest displayed by Denmark "in a policy that favoured the formation of a broad European entity" - an interest which, as in case of the United Kingdom, had led to the opening of negotiations for Denmark's entry into the Common Market.

Turning to the question of "the approach that Europe should take towards world political solidarity", Mr. Per Haekkerup drew attention to the various points of view that existed on this matter. In his opinion it was possible to envisage either a smaller Europe consisting of the Six or a larger Community of Western Europe comprising, in addition, the United Kingdom, Denmark, Norway and probably other West European countries; either an independent, self-contained Europe or a Europe that formed part of an Atlantic Community; either an integrated Europe with supranational organs (i.e. a confederation) or a Europe based on co-operation between States (a "Europe des Patries"). Mr. Haekkerup wanted to see a political and economic Community that embraced, in addition to the Six, his own country, the United Kingdom, Norway and possibly other European countries, since he considered that only such a Community would be capable of "opening up fresh vistas for co-operation between the United States and Europe".

As regards the way in which political co-operation in Europe should be organized, Mr. Haekkerup stated that "if it is possible to reach agreement on the creation of a political union of Western Europe, it is realistic to expect that the objective of

the negotiations in that union will first be, in each case, 'to compare the points of view of the various States, to concert their policies and to reach common positions with a view to promoting the political union of Europe', in accordance with the terms of the Bonn Declaration. It is therefore a matter of co-ordinating the foreign policies of member countries in such a way as gradually to extend the common policy to an ever increasing number of fields. This in itself would represent a considerable step forward and could perhaps lead little by little to a greater degree of political unity in Europe. In the course of such negotiations, it would of course be advisable to define common European positions on problems of defence policy".

As regards the economic problems that European integration would present for the Danish economy, particularly in foreign trade, Mr. Per Haekkerup stated that Denmark looked forward more than ever to the creation of a large European market that would supersede the existing division of markets. "The first requirement for this is that the countries concerned should show deeper understanding of each other's problems. This is why Denmark has welcomed the resumption of the dialogue between Great Britain and the Community countries in the Western European Union. The latter has established with both the Commission in Brussels and with the governments of Member States, continuous contacts that have already given positive results. Certain decisions taken last December by the Community have in fact shown that account has been taken of various Danish interests in the export of agricultural products; Denmark therefore hopes that it will be possible to continue to mitigate some of the more disastrous effects of the Common Market's agricultural policy on its exports."

Mr. Per Haekkerup went on to say that "it was only realistic to accept the fact that there are limits to what can be done for third countries within the context of the Community's agricultural policy." Denmark therefore hoped that the Kennedy Round negotiations would also lead to a general liberalization of trade in agricultural products, even if this could not take the place of a solution of the European problem of the division of markets which meant the political division of Europe. It was therefore of crucial importance for western solidarity and for the functioning of Europe within that framework that this division should cease at the earliest possible moment. The market policy of the Danish government was concentrating its efforts in that direction.

Turning finally to relations between Europe and the developing countries, Mr. Per Haekkerup pointed out that the association agreement between the African countries and the EEC was tracing out "the path of new harmonious relations between these new countries and the European nations and that an enlarged common market would therefore enable similar multilateral re-

External Relations

lations to be established with a large number of emergent States that have become independent but in which the conditions for political stability remain uncertain owing to the big economic problems that face them." It was therefore essential to apply reasonable conditions for trade in agricultural products and raw materials produced by these countries inasmuch as continuous economic progress in the developing countries depended on the stability of their economies and on increased industrialization. "This is why", concluded Mr. Haekkerup, "Denmark has submitted to the World Conference on Trade and Development a plan under which the industrialized countries would authorize, within certain fixed limits, duty-free imports of manufactured or semi-finished products from developing countries."

(Relazioni Internazionali, 2 May 1964)

7. Austria and the EEC

It emerges from a progress report drawn up by the Austrian Government on the talks regarding the association of Austria with the European Economic Community that the Austrian delegation has received the following instructions:

- 1) the obligations arising from the Peace Treaty and from the principle of neutrality must be borne in mind;
- 2) for this reason Austria requests that a clause should be inserted permitting her to denounce the Treaty or suspend its execution;
- 3) Austria must reserve the right to conclude customs and trade agreements with third countries, taking into account her obligations towards the EEC and being ready to take part in any consultation that may be necessary with her partners in the Community;
- 4) Austria must aim at the total abolition of duties and quantitative restrictions on imports. To enable the Austrian economy to adjust itself to the association, Austria must be accorded a transition period of a specified duration with a view to abolishing these duties;
- 5) Austria is prepared to align her customs tariff with that of the common customs tariff of the EEC. She undertakes as far as possible to approximate her tariff system to any changes that may take place in the Common Market tariff;
- 6) Austria is prepared to approximate her agricultural policy as far as possible to that pursued by the Community;

- 7) Austria is moreover prepared to co-ordinate other sectors of her economic policy with the corresponding EEC sectors.

* * *

At the meeting of the members of the Association of Austrian Industrialists on 16 April, Mr. Bock, Austrian Minister of Trade, stated that it was vital for a country like Austria, with its 7 million inhabitants, to form part of a large economic area. Only in this way could she keep abreast of economic and social development on the continent. Austria's efforts to form a link with such an area therefore constituted what might be described as her present "reason of State". If Austria failed to achieve this aim within a reasonable time, "grave" disadvantages would result.

Although the process of becoming incorporated in a large economic area presented difficulties, Austria could draw on a valuable fund of experience in this connexion. For example, the liberalization of imports had led to considerable progress. The liberalization programme, which was now reaching completion, would open Austria's home market increasingly to foreign goods.

The principle underlying the Austrian proposal for an arrangement with the EEC had already been accepted by the EEC Commission. Austria, however, would have to insist on one condition: the inviolability of her neutrality. This prevented her from submitting to the decision of a supranational authority, whether this involved the unanimity or majority principle. Austria therefore proposed the setting up of a joint association council (based on the parity principle); as this could never take majority decisions, the question of neutrality would not arise since no disregard of sovereignty would be involved. The implementation of any agreements concluded in such an association council would be more difficult. The first step would be to investigate the nature of the decisions or matters in question. For example, difficulties might arise from the Federal Constitution in the field of tax legislation. In practice, however, the desire for harmonization would doubtless be exceptionally strong since Austria had to bear a particularly heavy tax burden and could expect this to be reduced somewhat if taxes were approximated. The fact that an arrangement with the EEC is predominantly in the interests of Austria, but certainly not in those of the EEC, is a guarantee that the Economic Community will find in Austria a loyal partner.

(Nieuwe Rotterdamse Courant, 18 April; "Die Industrie", organ of the Association of Austrian Industrialists, 24 April 1964)

External Relations

8. Swedish Foreign Minister expresses concern over EEC trade policies

During his foreign policy statement in the Rikstag on April 8, Mr. T. Nilsson, the Swedish Minister for Foreign Affairs, expressed concern with the effect of EEC trade policies on Sweden.

He stressed the need for the greatest co-operation between the EEC and EFTA if there was to be hope for a single European market one day.

Commenting on agriculture, Mr. Nilsson stated that the EEC pork regulations have made it impossible to maintain the traditional Swedish export of pigs for slaughter in West Germany. Recently the export of eggs to that country has now been rendered practically impossible by the EEC's decision in January to levy a supplementary charge on eggs imported from a third country.

In general Sweden has serious apprehension for the future as far as agricultural exports to EEC are concerned. When the EEC regulations for dairy products and beef come into force on July 1 next exports of butter and beef will also enter the danger zone.

On the question of the increase in the European Coal and Steel Community's tariffs on steel from a level of 6 per cent to 9 per cent Mr. Nilsson said that this would pose a particular problem concerning industrial exports of those grades of steel which were most important from the Swedish point of view were affected. "We have reason to suppose, however," said Mr. Nilsson, "that West Germany, which receives the major part of the Swedish products affected by the increased tariffs will together with the High Authority investigate the possibilities of obtaining tariff quotas which will take due account of Swedish interest in maintaining these exports."

"Within the framework of EFTA the four Nordic countries have been brought closer together in their trade policies", Mr. Nilsson added. Between 1958 and 1963 imports of the Nordic countries from one another increased by 90 per cent or by practically twice as much as the increase in their total imports.

(The Financial Times, 9 April 1964)

9. Memorandum of the professional agricultural organizations on the GATT negotiations

The Bureau of the Professional Organizations of the EEC (COPA) commented in Brussels on 8 April on agricultural questions coming up for discussion in the Kennedy Round. In the memorandum handed to the EEC Commission on 9 April, COPA points out that every partner to the negotiations was now pursuing an agricultural policy that aimed at protecting and supporting its own agriculture. The right to this must also be conceded to the EEC in order to guarantee a reasonable level of income for farmers within the economic Community.

The memorandum goes on to outline a number of views on agricultural policy that should be taken into account in the negotiations. It is in favour of the determination of "support payments" but points out that their consolidation in GATT must allow the EEC an opportunity to raise prices of agricultural products when, for example, production costs show a rise. If agricultural imports into the Community decline as a result of increased production within the Community, the reason for this should not be sought, for example, in too high a support level in the EEC.

COPA strongly deplores the influence of third countries on the EEC's price policy. The Community should itself decide the level of its agricultural prices or the conditions under which prices are determined, in accordance with the provisions and aims of the common agricultural policy.

The last word had not yet been said on the question of possible world agreements. It was therefore all the more important not to establish definite commitments in the form of quantitative turnover guarantees in respect of agricultural products. In COPA's view, the Community should not assume any transitional obligations that would prejudice its common agricultural policy and any such world agreements.

For the EEC Commission, Vice-President Mansholt pointed out that the forthright views expressed in the memorandum would strengthen the attitude of the Community in defending agricultural interests in Geneva.

(Rheinische Bauernzeitung, 25 April 1964)

IV. ECONOMIC POLICY AND ECONOMIC SECTORS

Chronological Summary

Energy Policy

21 April Meeting of the ECSC Council of Ministers in Luxembourg. Adoption of an "Agreement Protocol" on the common energy policy.

Financial Policy

2-3 April Meeting in Luxembourg of the EEC Finance Ministers. Exchange of views on problems of fiscal and financial policy in the EEC countries.

13-15 April Meeting of the EEC Council in Brussels. Adoption of a recommendation to the Member States on "measures for restoring internal and external balance in the economic development of the Community". Decision to set up:

- a committee of governors of the central banks of the Member States,
- a committee for budgetary policy,
- a committee for medium-term economic policy.

1. Mr. Del Bo, President of the High Authority, interviewed on energy and iron and steel problems

In an interview to the Italian newspaper "Il Giorno", Mr. Del Bo, President of the ECSC High Authority, answered a number of highly topical questions on the thorniest problems facing European economic integration, especially in the iron and steel and energy sectors.

Before examining these problems, Mr. Del Bo stressed that it would be wrong to think of European economic integration solely in terms of customs "disarmament". At present, the major advances had to be made in matters of "common", or at least "concerted" policy, in respect of both the operation of the market and long-term social and economic development. The preamble to the Treaty of Paris refers to the need for the Member States to share a common destiny, and this clearly cannot be reduced to the mere establishment of a free trade area or of a customs zone.

In the light of recent experience in the iron and steel sector, Mr. Del Bo went on to say how valuable it would be for Europe to have a body through which national wills could find expression, as well as an independent body capable of fulfilling its task in the common interest in the Member States as a whole. In his opinion, such a European executive body was essential for the efficient operation of the common institutions and for the establishment of common rules designed to ensure the general development of all the countries of the Community. The future would certainly lie in this direction.

As regards the measures adopted to increase customs duties on steel - measures which were of course of a provisional nature - these had not been decided on solely in the light of a specific economic situation. At the moment, the world steel market appeared to be passing through a phase of imbalance that favoured demand. This was borne out by the fall in exports, the substantial rise in imports and a dangerous pressure on prices due to sharper competition from third countries. This was why the High Authority had proposed an international conference on steel market problems.

With regard to the problem of working out a special Community policy with a view to stimulating steel exports to the developing countries, Mr. Del Bo stated that, in the long term, the

only rational solution would be a world system of agreements in the iron and steel market that took into account the legitimate interests of the developing countries in the field of heavy industry without encouraging the establishment of production organizations whose sole raison d'être lay in political prestige. This would necessitate direct meetings with those mainly concerned and also, probably, greater specialization of production types by the Community, thus ensuring Europe's vital contribution to vocational and industrial specialization.

In addition, however, there were still opportunities in Europe for increasing steel consumption. It only remained to be determined whether such an increase in consumption, which would go hand in hand with a rise in demand, would be met from the Community's own production or from imports of steel or iron and steel products.

Regarding the continued absence of a common energy policy, Mr. Del Bo stated that the main cause lay in the divergence of interests and attitudes and in the lack of a body whose jurisdiction transcended the strictly intergovernmental level and that was competent to arbitrate on, and settle, all the conflicts of interests in the energy sector. The reaction in regions whose economy was essentially based on coal to questions such as the desirability or otherwise of unrestricted imports of coal and oil from third countries naturally differed from the attitude adopted in regions that were undergoing rapid industrialization, for which energy costs were a decisive factor. It was because of this failure to reach agreement that the High Authority was at present embarking on a new drive with a view at least to defining the necessary stages and objectives and permitting action in regard to coal to be taken on Community lines.

In conclusion, Mr. Del Bo said that it was only natural that there should be a divergence of interests as between energy producers and consumers, or as between those who were tied to Community energy sources and those who depended on imported energy. What Europe needed above all was a body that rose above this conflict of interests and that was capable of taking the necessary decisions with an eye to the economic future of Europe - a future inseparable from low energy costs and also from social equilibrium and security of supply. The ECSC High Authority would endeavour, jointly with the EEC and Euratom, to translate these three objectives agreed between them into practical reality.

("Il Giorno", 14 April 1964)

2. A statement by the French Minister for Industry on the energy policy agreement

Commenting on the agreement reached on 21 April, Mr. Maurice-Bokanowski stated that he was satisfied that the protocol "took into account the overriding need for France and for Europe to give preference to European energy sources and especially to coal."

The Minister for Industry expressed his satisfaction "that a balance had been struck between Community coal productions and imports and between the interests of producers and consumers in an arrangement covering the period up to the merger of the Executives and the establishment of a single European Treaty."

The text agreed had furthermore and for the first time laid down a tentative European oil policy. Certain French ideas for the balanced expansion of European hydrocarbon production, for a wide diversification of supply sources and a common policy on stockpiling had been incorporated in the protocol agreement.

Mr. Maurice-Bokanowski concluded by saying that he felt we had here charted the course that would culminate in a Common Market for energy; this has been done through methods less doctrinaire and more flexible than before; they had consequently been more effective. There were difficulties arising from the existing treaties that had to be overcome so that it would be possible to include a separate section on energy in the future single treaty; this would make due allowance, in terms of present developments, for the parts to be played respectively by solid fuels, hydrocarbons and atomic energy in the years ahead.

(Le Monde, 23 April 1964)

3. The success of the EEC dependent on European planning

The following article by Mr. Saint-Marc was published in the review "La Vie Française":

" The European authorities have recently been paying too much attention to inflationary trends and thereby neglecting one of the fundamental problems for the future of Europe: is the

Common Market to be a free trade area dominated by conflicts between big firms or a community preparing its future according to a plan in a reasonable and democratic manner ?

There are three major arguments for opting for European planning on the French pattern:

1) Co-ordinated investments.

The European economy is liable in the near future to experience overdevelopment crises due to the lack of co-ordination in development plans of large concerns. This is liable to affect important branches of the economy such as the coal and steel industries, motorcar and aircraft construction and air transport.

There are, furthermore, several branches of industry where automation, allowing, as it does, a considerable expansion of output, is liable to cause critical overproduction unless investment is co-ordinated.

If one were to regard a mere 60 or 70 per cent production capacity utilisation as normal, as in the case in the United States, Europe would gain only a fraction of the benefits expected from the Common Market.

The European institutions are not at present co-ordinating either State investment or investment by individual firms.

In steadily dismantling customs barriers, the Common Market was, moreover, hampering the co-ordinating functions formerly exercised by the states on their national markets.

When a European market takes the place of national markets, the powers to co-ordinate investment at the national level held by certain governments will lose a great deal of their effectiveness.

How can investments be co-ordinated in France, if a firm, whose development plan has been shelved, can freely put it into effect beyond the Rhine or the Alps, thereafter pouring its production onto a French market bereft of customs protection ?

Is the Common Market now that the French plan has convinced Italy, the United Kingdom, Spain, Belgium, astonished the United States and even begun to attract Germany, going to restore - on a European scale - the laissez-faire liberalism that the national plans were specifically designed to overcome and replace ?

2) Regional reorganization.

First Decazeville and Brittany and now Nantes and Lorient underline the seriousness of the crises facing French areas that are too far from the Rhine/Rhône/Po axis of the Common Market.

The interplay of competition will of itself aggravate the present regional imbalance when national protection disappears.

It will indeed favour the expansion of developed areas at the expense of the underdeveloped ones - Southern Italy, West and South-West France will be faced with the alternatives of starvation or emigration.

Territorial reorganization on a European scale, which means striving for balance of growth between regions, presupposes constant action on the part of European authorities, governments and local authorities, in accordance with a European plan.

The struggle against regional underdevelopment in fact implies that there must be substantial financial and technical help, on a scale transcending national potentialities, and that interim protection action will be taken and accepted by the other states.

Only by means of a European plan would it be possible to direct and co-ordinate the range of action involved.

3) Cyclical adjustments.

The threat of inflation has gone beyond the Common Market and even impaired the stability of Switzerland; it demonstrates the degree of interdependence of Western economies in their cyclical fluctuations.

National cyclical policies are no longer feasible in a Common Market.

A European policy linked with the national policies is necessary.

Such cyclical action, however, must not be translated into sporadic intervention at the outbreak of serious crises that would have been easier to prevent than to remedy.

It should, on the contrary, be a continuing activity designed to anticipate cyclical fluctuations and hold them in check.

Controlling growth is, in fact, an essential condition for optimum utilization of production potential and it is one of the results of the plan.

It is to planning that France owes its achievement of a much steadier rate of growth over the past 15 years than the United Kingdom, Germany or the United States.

A European plan will in future be the means and prerequisite for any cyclical intervention in the Common Market. It must be drawn up now and provided for the following stages:

- A) Information and anticipation. Several measures could be taken to direct economic expansion:
- Prospects for individual branches of the economy and for different regions could be published by the European institutions;
 - A public investment committee comprising government experts from the six countries could be set up;
 - A census of current investment in the Common Market could be taken and the essential provisions of Article 54 of the ECSC Treaty could be extended to the EEC.
- B) Power to take decisions. The European institutions would subsequently establish expansion aims; these would be substantiated by recommendations to the governments and by opinions addressed to firms concerning their investment programmes.
- C) Broadening the terms of reference. It would indeed be necessary to broaden the present terms of reference of the European institutions so that expansion could be guided; the European Investment Bank's statute could be made more flexible by allowing it to adjust the rates of interest on its loans and entrusting it with the task of providing technical assistance as well as financial aid; the powers of the Social Fund could be widened to embrace all social problems, especially housing and social amenities; a European Monetary Fund and a European Research and Cultural Fund could be set up.

Seen in this light, the European plan would no longer be regarded simply as an essential instrument of economic progress but also as the means of bringing into existence a European nation - the only effective political reality in an age of "Continent-States".

(La Vie Française, 3 April 1964)

4. Towards a European currency

In the French publication "De quoi s'agit-il", Georges P. Menais has contributed an article entitled "Towards a single European currency". This is a theory which he has been propounding for a long time. He knows its importance and certainly stresses it.

Financial and monetary co-operation among the Six should not remain an idle word. The Common Market, which is the greatest liberal achievement of Europe, will experience a difficult time until 1967. This second stage will be the most arduous one in every respect for all the partners. From 1967 to 1970, this is during the third stage, the EEC Executive anticipated that it will be possible to proceed from the co-ordination to the centralization of decisions - federal type of bank system, monetary union involving a common reserve currency, etc.

Never before has it been more difficult to fix and follow a time-table. During the Brussels crises at the end of 1962 and the end of 1963, it was feared that the Europe that was about to be formed would yield to impulses, internal divisions and exacerbated nationalism. At a time when the blatant economic failure of Communism compels those who believe in it to buy food for their countries from capitalist states, Europe should know better than to revert to its former quarrels. This simple fact makes it all the more imperative for Europe to achieve economic, financial and political unity.

European currency is a kind of mainstay that will ensure the strength of the whole building under construction. It is no longer an entity but a reality.

For the past few years we have often heard - with a lack of conviction at times - the words: "Europe must be built !"

Europe must have a European currency or there will be no Europe.

The Brussels agreements of 23 December 1963 were greeted by European public opinion as a whole. This proves that the European concept is definitely rooted in the minds of the peoples

of France, Germany, Italy, Belgium, the Netherlands and Luxembourg. These last-minute agreements do not provide the necessary perspective to assess exactly what they represent in terms of loss or gain for all concerned.

Much remains to be done after these agreements. No one has any doubt about it. The adoption of the agricultural implementing regulations in particular is not likely to be a mere formality. Jacques Rueff was right in saying that the Common Market was an area of "laisser passer", not an area of "laisser faire".

The most important point is that in Brussels there was public opposition to any breakdown while the will to pursue efforts found a practical application.

Young people in the six countries have deeper faith in Europe than the men of a more mature age. "The European struggle would have a bright future in France if the French were sufficiently conscious that Europe represents the new dimension of their problems and not just a problem among many other foreign policy problems."

Indeed, it is high time that we adapted ourselves to this new dimension. But let us beware of rash decisions. Let us also respect the order of priority: a politically united Europe can only derive from an economic, social and monetary Europe. This new Europe is now within reach. We must not fail to strengthen what is perhaps the last bulwark in the defence of the most cherished treasures of Western civilization - freedom.

(La Vie Française, 24 April 1964)

5. Resolution of the Consumers' Contact Committee of the Common Market concerning cartels and monopolies

The Consumers' Contact Committee of the Common Market which comprises representatives of the International Confederation of Free Trade Unions, the International Confederation of Christian Trade Unions, the Co-operatives, Consumers' Unions and Family Associations, has recently adopted a resolution emphasizing the danger presented by cartels in regard to the Rome Treaty.

In this resolution, "the Consumers' Contact Committee finds that cartels are increasing in number, that near monopolies

are forming and that predominant positions are being taken up on the market.

"Naturally, the Committee is aware of the fact that favourable developments may result from this situation when the object of these agreements is in particular: (a) to avoid anarchic competition leading to overequipment in some branches or under-equipment in others (b) to pool market and documentation research and prospection resources (c) to prepare the adjustment of marginal undertakings to social and economic progress.

"However, the Committee feels that considerable danger is involved when the essential object or consequence of the activity pursued under these agreements is (a) to limit and even to suppress the effects of competition (b) to enable undertakings to survive under inadequate conditions by applying artificially high prices (c) to cause production reductions by fixing quotas (d) to split up markets (e) to distort the competitive nature of tenders (f) to encourage the practice of sole agency agreements and imposed prices (g) to hamper competitiveness to the detriment of wage earners, consumers and the general public.

"The Committee welcomes the fact that cartels are compelled to submit declarations, but it appears certain, on considering the Community's work, that the procedure has been blocked. Admittedly numerous declarations have been entered but it is deeply regrettable that in such an important sphere of activity no provision should have been made for a proper scrutiny procedure in respect of the investigation and verification files. The Consumers' Contact Committee requests strict application of the obligation to declare all agreements; it regrets in particular the extension of date-limits for certain agreements, as provided for by the European Community, and urges that all necessary means be applied as soon as possible for the removal of cartels and monopolistic positions that are in conflict with general interest."

(Force Ouvrière, 15 April 1964)

6. German Association for Commerce and Industry comments on the EEC's common transport policy

The German Association for Commerce and Industry (DIHT), the central organization of chambers of commerce and industry in the Federal Republic, has commented on the transport policy

recommendations put forward by the EEC Commission in May 1963. The Commission's recommendations mainly aim at harmonizing competition in transport, introducing tariff brackets and establishing a common quota road transport of goods within the Community.

In its memorandum, the DIHT notes with satisfaction that the Commission, in planning the timetable of its recommendations, has taken account of the fact that the development of a common ratemaking and capacity policy must be accompanied by the abolition of unfair transport competition in the Member States. This - stresses the DIHT - is of particular importance for the Federal Republic since German transport concerns have to bear heavier burdens, particularly in the form of taxes, than their competitors in other Member States. The DIHT does not however believe that the time-limits envisaged for the individual harmonization measures can in every case be adhered to. It therefore regards it as essential that time-limits should be flexible enough to permit the timing of measures to be co-ordinated even where delays arise in abolishing unfair competition. The DIHT adds that transport policy should also take account of the requirements of regional economic policy.

The DIHT agrees in principle to the introduction of tariff brackets. However, it regards a uniform ratemaking policy as essential not only for transport between Member States but also for their domestic transport as it feels it is out of the question that there should be divergences in ratemaking policy within an integrated economic area. If the Council decides to introduce tariff brackets at first only for international transport, such a decision should be accompanied by a clear statement to the effect that a common ratemaking policy must be worked out for the entire transport market in the not too distant future. Going beyond the cost-directed ratemaking policy envisaged by the Commission, the Association advocates a ratemaking system geared to market requirements, which it regards as essential if, under fair conditions of competition, an economically effective distribution of tasks - the essential objective of transport policy - is to come into full effect. Smaller concerns should be given an opportunity to reach agreement on common price schedules. This would not only lead to an improvement in market conditions and rate stability but also tend to blunt the edge of price competition.

The DIHT welcomes the proposed solution of the capacity problem as this not only promises to provide effective control of the development of demand but is also precisely what the existing conditions call for. While the introduction of a Community quota is still under attack, particularly by the Netherlands

it should be noted that a more flexible capacity policy would scarcely be practicable at the moment. The DIHT attaches particular importance to the quota review, which can be carried out yearly, since of itself such a process entails constant investigation of market conditions.

("Common transport policy in the EEC"; comments by the DIHT, February 1964)

7. The Federal Government and the approximation of cereal prices

At the meeting of EEC ministers on 14 April, Federal Minister Schwarz once again presented the German case on cereal prices. He explained that the Federal Government did not by any means wish to withdraw from negotiations on the Mansholt Plan but that owing to the disparities in costs and in regional conditions in individual Member States, the "single-stage" harmonization of agricultural prices was simply not possible. "We all desire to attain the common objective," said the Minister, "but we must work towards it carefully by stages." In his opinion, certain parts of the Commission's proposal should be reconsidered and cleared up at leisure. Sufficient time was available to do so. This would not affect the Kennedy Round because, although it was opening on 4 May, the relevant discussions would not start until some time later. Moreover, since the other GATT partners also had not reached a final decision as to how the cereals question should be dealt with, there was no point in the Community already committing itself.

Mr. Schwarz therefore felt it was essential that cereal prices should first be determined for 1964/1965. In view of the advanced season, he suggested that the regulations applicable to 1963/1964 should be extended for one year.

Turning to the detailed aspects of the cereal price problem, the Minister supported the single-stage approximation of prices. In the event of the price being fixed for a later period, he felt that a review clause would have to be inserted so as to take account of any subsequent changes in purchasing power. Moreover, any amendment to the decision on price fixing should require unanimity, even though as from 1 January 1966 only a qualified majority was needed for decisions in the Council. If the Council were to react favourably to this suggestion, this would have an extremely moderating effect on public discussion in Germany.

The need to allow freight margins to come into effect was consistent with the concept of the Community. A prerequisite for this was regionalization of prices, whose effects should not however be cancelled out by freight subsidies. It was therefore only natural that the Federal Republic should desire that before, or at least at the same time as prices were harmonized, agricultural freight rates should be established in the Community on uniform principles. Similarly, before cereal prices were approximated, progress would have to be made in approximating policies relating to taxation and economic trends, both of which exerted considerable influence on agriculture.

(Bulletin of the Press and Information Service of the Federal Government, 21 April 1964)

8. Egg marketing in the Federal Republic and in the Netherlands

In a press communiqué dated 24 April 1964, the Netherlands Egg and Poultry Producers' Association points out that the difficulties experienced in February in egg marketing within the Community, particularly in the Federal Republic of West Germany and in the Netherlands, have not yet been entirely overcome. In spite of the opinion of the EEC Commission and the Council, which resulted in the rejection of the Federal Republic's appeal to the safeguard clause - egg imports into Germany having in the meantime been held up for a week - the question still remains a vexed topic. "The climax has been reached with the recent issue by the Federal Ministry of Agriculture of a publication quoting entirely misleading figures on eggs for hatching. This attributes the recent difficulties to the fact that there were $3\frac{1}{2}$ million more laying hens in the Netherlands in February 1964 than in February of the previous year. Now, anyone familiar with poultry-breeding knows that hens hatched from eggs laid in September are not yet capable of laying in the following February. This also applies to a large extent to hens hatched in August. The major contribution to egg output during January and February 1964 must have been made by hens hatched before April 1963. This obviously conflicts with the figures quoted in the German publication."

The Association's report reaches the conclusion that in February 1964 there were $1\frac{1}{2}$ million less layers in the Netherlands than in February 1963, and not $3\frac{1}{2}$ million more as stated by the Federal Ministry of Agriculture.

The report goes on to say that "the view put forward by the EEC Commission as to the causes of the difficulties encoun-

tered last February was the correct one, as indeed had emerged from official figures issued by the Federal Republic on its egg production. This was respectively 26 and 27 per cent higher in January and February 1964 than in the corresponding months of 1963, being equivalent to about 200 million eggs a month. Exports from the Netherlands in January and February 1964 were respectively 47 and 40 million less than in the corresponding months of the previous year.

It is a matter for regret that the Federal Government should have published such misleading figures. The two countries should have sought a joint solution to the problem, as was their duty under the terms of the Treaty of Rome. They could, for example, have conducted a joint campaign to increase the consumption of eggs. A proposal made by the Netherlands in this connexion still stands, but the reactions of the other party concerned can hardly be described as encouraging." This is the conclusion arrived at in the press communiqué published by the Netherlands Egg and Poultry Producers' Association.

(Press communiqué of the Netherlands Egg and Poultry Producers' Association, 24 April 1964)

9. Europe and the law of copyright

Mr. François Prévot, a Member of the French Patent Office, addressed the Academy of Moral and Political Sciences on 20 April on "Europe and the law of copyright". This law, whose form varied according to state, could not be allowed to impede the free movement of persons and property as laid down in the Treaty of Rome that instituted the European Economic Community in 1957. In other words "a frontier of bailiffs must not be allowed to persist within the EEC when the frontier of customs officials has gone."

It would involve recourse to an international diplomatic convention and, no doubt, superimposing a "federal" law on the national laws governing patents, trade marks, designs and models. The speaker discussed the legal and ethical implications of the federal law suggested by Mr. von der Groeben. This would leave untouched the various national laws governing patents, designs and trade marks but would establish a comprehensive European law, a European patent, a European trade mark and European designs and models.

For the present, as a basis for discussion, only the first draft concerning patents had been drawn up and published in

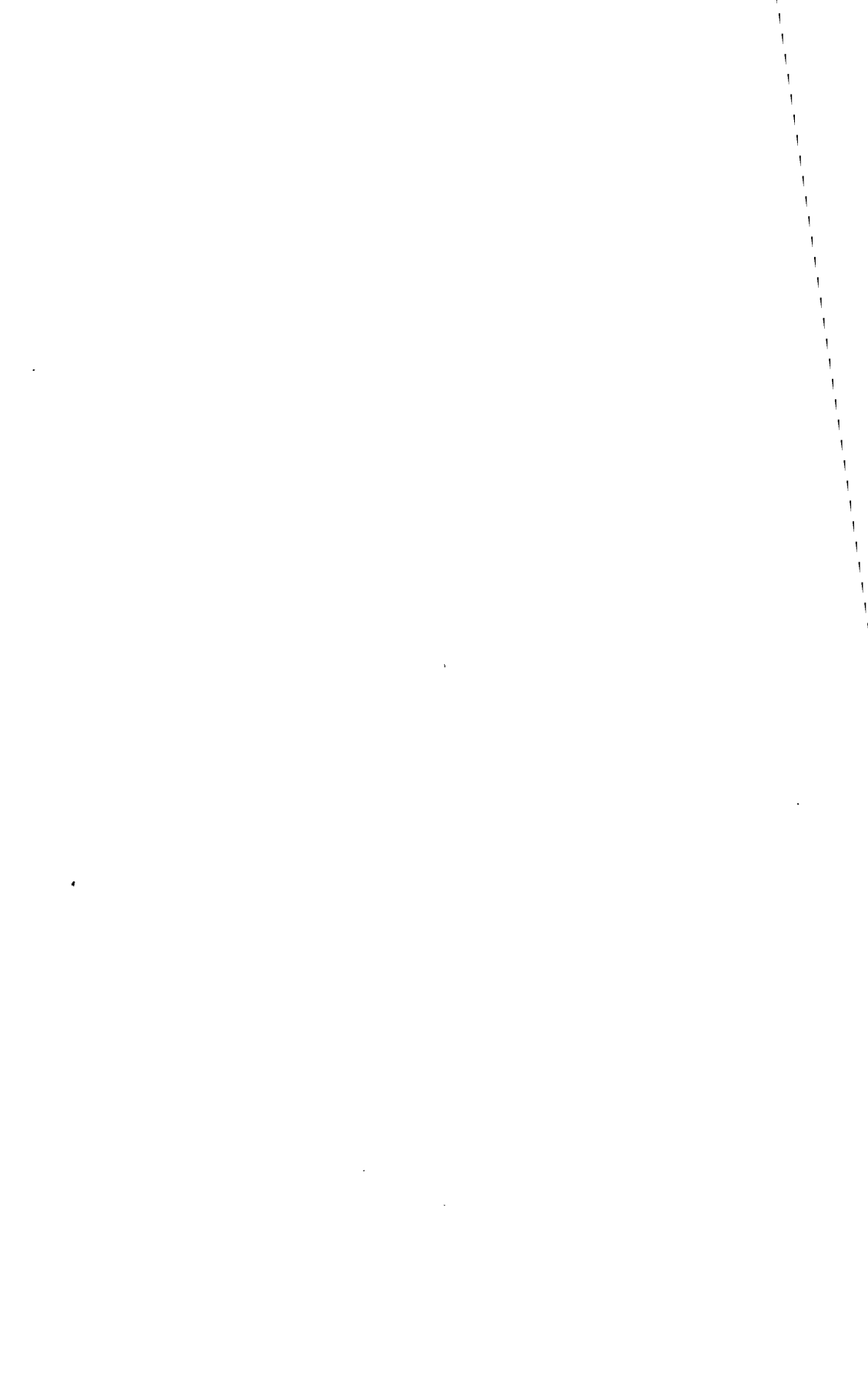
October 1962. It remained to be seen whether in 1964 the patent system set up in 1844 was the best.

Mr. Prévét outlined the changes under present conditions: inventions were now often the work of a group of salaried research workers; science and techniques had been progressing more quickly than the formalities guaranteeing patents. Moreover, the complexity of certain inventions tended to increase the number of overlapping patent licences while the importance of trade or manufacturing secrets known by the untranslatable Anglo-Saxon word "know-how" was growing all the time - regardless of patents. The Treaty of Rome itself, while recognizing patent, design and trade mark rights, did not encourage monopolies, even provisional ones.

At the same time, however, the USSR, which recognized only authors' rights - inventions becoming the property of the State - was moving towards western thinking here. Had not a recent law specified the conditions under which foreign inventions could be patented in Russia in the established manner ?

The problem therefore remained unsolved and Mr. Prévét regretted in conclusion that the Academy of Moral and Political Sciences had not been consulted on the essential principles prior to any text being drafted.

(Le Monde, 22 April 1964)



V. SOCIAL QUESTIONS

Chronological Summary

- 21 April EEC Council adopts a first common programme to promote the exchange of young workers within the Community.
- 24 April Meeting in Luxembourg of the joint "Coal" Committee. European Miner's Code talks break down.

Breakdown of scheduled discussions on the European Miner's Code

A meeting of the Joint Committee on Coal convened by the High Authority to discuss the adoption of a European Miner's Code - a step long advocated both by the trade unions and by the European Parliament - ended prematurely in Luxembourg on 24 April when the workers' group of the Free Miners' Trade Unions of the ECSC left the hall protesting against "the negative attitude of Government and employers' representatives towards discussing with the workers the drawing up of a European Miner's Code." In a press release, trade-union delegates stated that "they appreciate the High Authority's attempts to mediate on the question and regret that it has not succeeded in changing the views of employers' and Government representatives."

Mr. Maurice-Bokanowski, French Minister of Industry and Trade, had earlier advised the High Authority that the French Government considered it neither necessary nor feasible to attend the meeting of the Joint Committee which was in no way related to any obligation under the Treaty and moreover was not a suitable medium for dealing with the problem. To follow such a course without the agreement of the Governments appeared to the French Government to be out of the question. Whether or not there would be any point in carrying out enquiries into this question was a matter that should be decided in preliminary talks between the Governments and the High Authority.

(Liaison Office of the I.B.F.G.-ECSC, 24 April; Industriekurier, 21 April 1964)

P a r t I I

THE PARLIAMENTS

Chronological summary

I. NATIONAL PARLIAMENTS

Germany

Bundestag

15 April Unanimous endorsement of the proposal by the EEC and EAEC Commissions for six regulations governing service emoluments for members of the Commission and the Court of Justice.

Bundesrat

24 April Adoption of decisions

- on the action programme of the EEC Commission for social policy in agriculture;
- on the EEC proposals for harmonizing legal and administrative provisions covering pharmaceuticals;
- co-ordination of annual review of investments in industry;
- implementation of Article 85 (3) of the EEC Treaty;
- economic relations with state trading countries;
- definition of top grade butter.

France

28 April Foreign Policy debate in the National Assembly.

The Parliaments

Italy

29 April The Italian Senate ratifies the Association Convention between the African States and Madagascar and the EEC.

Netherlands

8 April Parliamentary question on the appointment of diplomatic representatives to the EEC.

II. COUNCIL OF EUROPE

21 April Political debate in the Consultative Assembly of the Council of Europe.

I. NATIONAL PARLIAMENTS

Germany

The Bundesrat defines its attitude to the EEC Commission proposals

a) Action Programme for social policy in agriculture

According to a resolution passed on 24 April, the Bundesrat (West German Federal Council) regards the EEC Commission's Action Programme for social policy in agriculture as "a working paper that can serve as a basis for the discussion of future social policy measures in agriculture". The resolution states that it is "often expedient, and indeed essential if unfair competition is to be removed", to supplement agricultural policy with social policy measures. It goes on to stress the need, in view of the extent to which agricultural policy has already been integrated, for particularly close co-operation between Member States on the basis of constant comparative studies.

The Bundesrat further considers that farming incomes must be secured principally through appropriate prices and price relationships. Moreover, except where specific regulations have been issued on the basis of formal supplements to the Treaty, the latter confers no powers as regards incomes policy on Community bodies. Furthermore, the Commission's proposals concerning social security, working hours and industrial safety can only be implemented under the terms of Article 118 of the EEC Treaty.

The Bundesrat also expects the powers of the Länder to be respected when any concrete measures in the field of vocational training come under discussion. The Federal Government is requested to pay special attention to social security also within the province of its national jurisdiction.

(Bundesrat, Publication 170/64, 24 April 1964)

b) Co-ordinated annual surveys of investments in production organizations

On this proposal by the EEC Commission the Bundesrat adopted a resolution to the effect that "since investments are a reliable index to the prevailing economic situation and provide an extremely valuable basis for economic assessments and measures, there can be no objection in principle to yearly surveys. Such co-ordination between the EEC Member States is to be welcomed".

The Parliaments

However, the Bundesrat considers that the first survey should not be carried out in the current year because the internal legislative machinery has still to be set up.

(Bundesrat Publication 136/64, 24 April 1964)

France

Foreign policy debate in the French National Assembly

During the foreign policy debate which begun on 28 April 1964 in the French National Assembly, Mr. Couve de Murville made the following statement on behalf of the Government:

" The fact has today been accepted that Europe - economically restored and on the way to unity - must resume a major rôle in international policy and essentially in determining its own future. However, hesitation appears as soon as the consequences of this future policy have to be drawn with regard to defence, that is to say the Atlantic Alliance, or when it is a matter of deciding whether Europe should be established as a power in its own right and not diluted in advance in an entity in which it would immediately lose its identity.

" The Common Market was put through a severe test last year when it was faced with the prospect of either expanding under conditions that would have made a deep change to its very nature, by removing in fact its European aspect, or the prospect of dismemberment. The crisis was overcome under conditions which, I feel, met with the approval of all partners. By the end of the year the Community was again a lively and strong organization, having reached agreement on the second stage of its common agricultural policy. This may be regarded as a resounding success that disproved the forecast of the pessimists and to which France is glad to have made a decisive contribution.

" The present year has therefore begun under favourable auspices - a positive and clearly defined position with regard to the important Kennedy Round tariff negotiations, unanimous agreement on initiating and achieving the merger of the institutions, to be followed by the merger of the Communities themselves and, finally, awareness of the solidarity of the Six in the sphere of economic and financial policy, which means, in the present economic situation, the struggle against inflation. The customs union is thus gradually becoming a genuine economic union.

" On the other hand, the situation remains uncertain in the political sphere. This is because here we have reached the core of a European and world problem, the extent of which accounts for - and even justifies - some hesitation. However, it is definitely necessary to allay misunderstandings on this subject. We are not dealing in this case with the puny quarrel over supra-nationality. The mere fact that those who support this equivocal formula are prepared to give it up as soon as Great Britain joins us is sufficient evidence of the ineptitude of such a quarrel.

" That indeed is not the problem - assuming it ever was. At all events, no one can forecast what united Europe will be at the end of its development. What matters is that we should begin on the basis of what already exists, that is to say the nations and governments and, in any case, progress will take a long time.

" The problem is to know whether there is a common will and what we aim to achieve. For us Frenchmen, there is a definite resolve on our part and our aim is clear. The Common Market is already a large economic power. United Europe should also be a real political power; a European power with a policy, defence and culture of its own. This power would retain, from the countries of which it is made up, the ideals, essential interests and, naturally, the alliances - the American alliance to begin with. But it must shape itself by its own means and have the frankness to state what it intends to be.

" It is fortunately evident that there is at present no common will to follow this course. That is why there is so much resistance, inside as well as outside, to our making together the first steps - whatever, once again, these may be. Developments however are inevitable. The first developments may occur outside the Six when certain positions will have to be cleared up. In any case, the success we have achieved in the economic field, which we shall continue to consolidate, will make a decisive contribution to these developments as they prove the growing solidarity of our countries and the need to draw the consequences of our fellowship.

" The day will also come when Great Britain - which seemed hardly ready for it in 1962-1963 - will join us because her real vocation lies in the new world that is now being built. France, for her part, hopes that this will come about, as she also hopes that Europe will eventually find its vocation. At a time when once again and, moreover, inevitably, direct - if not exclusive - discussions are being sought by the bigger countries, we should like Europe not merely to appear as a suitable partner, when for the main part its own destiny has already been irreversibly committed.

The Parliaments

" As time goes on, as the world of new countries is being formed and development appears more clearly as the imperative of our time, the European question is raised increasingly in a world perspective.

" This is so at least if one believes, as we do, that the mission of our countries is to become again an essential factor in the general equilibrium of the world, that is in the maintenance of peace, to perpetuate an irreplaceable source of human civilization and to make a major contribution to the great duty of solidarity that is the promotion of developing countries.

" The idea of a joint European action towards development is beginning to take shape, albeit still vaguely in the context of Franco-German co-operation. Until this idea takes a tangible form and proves its effectiveness, France, in this as in other fields, must pursue the course on which she has already embarked."

For his part, Mr. de la Malène (UNR), member of the European Parliament, stated: "In the organization of economies, considerable efforts have of course been made, and these have been followed by numerous achievements, but there are still several unsettled points: agriculture, tropical products, raw materials etc.

" How do the leaders of the Atlantic Alliance react to this quadruple uncertainty ?

" In principle, they have declared their readiness to share responsibilities with a united Europe within the framework of an Atlantic partnership.

" President Kennedy had also made a solemn statement to this effect, but it should be observed - in the first place unfortunately - that European unification cannot be achieved overnight and, in the second place, that it is not enough to assert recognition of a principle, as action must be taken in order to ensure that the principle is fulfilled. For two partners to share responsibilities between themselves, it is necessary that they should each have a distinct existence.

" Now many if not most of the practical decisions taken by the United States of America in regard to Europe do not appear to be guided by the belief that Europe is a large, unified and independent power. This is so whether it concerns the will to get Britain into Europe, which would have meant the indefinite

postponement of political unification, or whether it concerns their attitude to the tariff problem, which must be settled if a true common market is to be brought about, or whether it concerns their attitude towards agricultural problems. Is it not a fact that the American Secretary of State for agriculture wanted to have a say in the fixing of cereal prices in Europe, as well as wanting guaranteed import quotas ?

" In all these spheres, and in many others, America seems to fear anything that might contribute to the creation of Europe or to its independent existence; yet unity, independence, existence are all necessary conditions for sharing responsibilities."

(Official Gazette - Parliamentary debates - National Assembly 29 and 30 April 1964)

Italy

Italian Senate ratifies the Yaoundé Convention

On 29 april the Italian Senate ratified the Association Convention between the EEC and the African and Malagasy States signed at Yaoundé on 20 July 1963 and already duly approved by the Chamber of Deputies, the only dissenting votes being cast by the Communists and by the Socialists of the PSIUP (Italian Socialist Party for Proletarian Unity).

In addition to the Rapporteur, Senator Carboni, the following took part in the debate: Senators Rubinacci, Battaglia, Ferretti, Battino-Vittorelli and Valenzi, and the Under-Secretary for Foreign Affairs Mr. Banfi.

Senator Rubinacci (Christian Democrat) drew attention to the political value of the Convention and the positive results already achieved through the new spirit of mutual trust and understanding established between the EEC and the emergent independent African communities. Turning to the structure of the relations established under the Convention, Mr. Rubinacci stated that the Association would have to assist in abolishing the monocultural system typical of the agrarian economy of many African countries by diversifying their agricultural production and bringing other land under cultivation. It would also be necessary to help to initiate a process of industrialization either through basic industries or through local processing of natural products. In the field of commercial relations, attempts should be made, on the basis of world agreements, to stabilize prices of tropical agricultural products and minerals and to agree in some measure to guarantee

The Parliaments

supplies over a number of years. The speaker concluded by expressing the hope that Italian enterprises would play a more active part in the work initiated by the European Development Fund.

Senator Battaglia (Liberal) stressed the historical importance of the relations established at Yaoundé which opened up prospects of a new era of fruitful and peaceful economic co-operation between Europe and Africa. Senator Battino-Vittorelli (Socialist) underlined the importance of the agreement and pointed to the need to take every possible precaution to ensure that close relations with countries already linked colonially to France did not render the United Kingdom's approach to the EEC more difficult.

Senator Ferretti of the M.S.I. (neo-Fascist movement) also spoke in favour of the Association Convention.

Senator Valenzi (Communist), on the other hand, attacked the Convention, the clauses of which, he alleged, would tend to perpetuate colonial bonds between Europe and the newly independent African countries.

Senator Carboni (Christian Democrat), the Rapporteur, after criticizing Senator Valenzi's arguments which, he said, 'echoed Soviet statements', pointed out that the Yaoundé agreement left ample scope for the eighteen African countries to conclude trade and economic agreements with other States, guaranteeing them - contrary to what had been alleged by the Communists - complete freedom of action.

At the close of the debate, Senator Banfi, Under-Secretary for Foreign Affairs, stressed the more important aspects of the agreement, which was based on equality of rights as between the contracting countries and took sympathetic account of certain needs of the new African communities.

(Il Popolo, 30 April 1964)

Netherlands

Appointment of diplomatic representatives to the EEC

In answer to a question by Mr. Van Dis (Christian Democrat) as to the possible appointment of a diplomatic representative of the Vatican to the EEC, Minister Luns (Foreign Affairs) replied on 8 April 1964 that the Netherlands would raise no objection.

With regard to the interests that might be served in approving the appointment of such a diplomatic representative, Mr. Luns stated that the problem had not as yet been discussed in the Councils of Ministers of the Communities with whom, jointly with the Commissions, the decision lay. Such approval was in almost every case given in writing. As far as the Netherlands was concerned, its government would in any case grant its approval if the applicant State - in this case the Vatican - entertained normal diplomatic relations with the Netherlands.

(Proceedings of the Second Chamber, 1963-1964)



II. COUNCIL OF EUROPE

Political debate in the Council of Europe

On 21 and 22 April, a political debate was held in the Consultative Assembly of the Council of Europe on the strength of three reports by the Political Committee: on general political questions, on East-West relations and on a European political union.

The first Rapporteur, Mr. Patijn (Netherlands, Socialist), appealed for frankness and sincerity and an honest admission of all differences - prerequisites for any political debate for which Strasbourg offered the necessary facilities. He deplored the wide divergence of views reflected in the external policies of European countries and considered that America had a perfect right to ask Europe to declare the aims of its foreign policy.

Mr. Patijn doubted whether economic integration could make progress in Europe while a lack of political unity persisted among the partners. Some were for the great Atlantic plan, others against. French diplomacy had dealt severe blows to NATO and the whole idea of the Atlantic alliance. Did France really think that, other than on behalf of Europe, she could win over the entire "third world", that she could cope with the financial difficulties of Latin America, Africa and Asia or restore balance in Asia without help from the United States? So long as Europeans could not provide a common answer to all these questions, political integration would remain a pipe-dream and Europe would be in danger of relapsing into its old nationalism.

Mr. Badini Confalonieri (Italy, Liberal), the Rapporteur on East-West relations, stressed the importance for the peoples of Europe outside the Communist fold, of the establishment of a common front against the threat of the Soviet bloc and soon, perhaps, of the Sino-Asian bloc, and of an all-out drive to end the Cold War. The present moment, with the Soviet Union showing a measure of tractability as a result of its dispute with China, was perhaps an opportune one. At the same time, a split in the West would suffice to conjure up new tensions between the Western and the Soviet world.

The Rapporteur on the European political union, Mr. de la Vallée Poussin (Belgium, Social Christian), stated that such a union could not be created while disagreement persisted among the European partners on political aims. Political union implied first and foremost pursuing a common policy actuated by a common will. Such a common will was still inexistent. Moreover, neither

Council of Europe

the Council of Europe nor the European Communities could be regarded as real political unions. New institutions, however, should not be created, but rather, those already in existence should be extended and the Community of the Six gradually provided with a political organization. In this way, it would perhaps one day be possible to unite the whole of Europe politically.

The debate in the body of the hall centred on the standstill in the talks on integration, France's attitude and the lack of power of the Council of Europe being particularly deplored. A number of representatives proposed - in line with the suggestion of Mr. Smithers, the Secretary-General - that the Council of Europe should be constituted as one of the regional organizations provided for in the United Nations Charter which would in future look after Europe's wishes in this sphere. The Austrian representative, Mr. Toncic (Austrian People's Party), suggested that the Council of Ministers should become an organ for co-ordinating the foreign policies of individual Länder as he, too, felt that the existing institutions should be given wider powers. "In a world of supersonic aircraft and rockets," he remarked, "our European snail's pace is a source of danger."

On France's attitude, Mr. Ridley (United Kingdom, Conservative) stated that his country's entry into the EEC was the key to the solution of many other European problems. France's veto on the United Kingdom's membership of the Common Market was bringing to a halt progress towards European integration. On the other hand, Mr. Radius, the French UNR representative, advocated the creation of a political union that was open to all. "The greater the unity between the Six," he added, "the more open will the Community be to the rest of Europe." The Eire representative, Mr. Dillon, did not believe that France was really pursuing this objective as she desired neither a united Europe nor an Atlantic partnership. Mr. Duft (Switzerland) pointed out that the Council of Europe, the EEC and EFTA were after all only stages on the road to a united Europe. The present slowing down of the integration process should not therefore cause undue alarm; rather should it act as a spur to greater efforts towards unity.

The hope was expressed on many sides that the Kennedy Round would provide a new impetus that would overcome the present stagnation in attempts to achieve unity.

(From documents of the Council of Europe)