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In addition to the official acts published in the Official Gazette of the European Communities, the activities of the European Communities are reported on in publications appearing at regular intervals.

Thus, the Commission of the European Communities publishes a Monthly Bulletin on the activities of the Communities while the European Parliament issues a periodical Information Bulletin on its own activities.

The Council of Ministers issues a press release after all its sessions. Its activities are also reported on in a special section of the Bulletin of the European Communities.

The Economic and Social Committee issues press releases at the close of its plenary sessions, and its overall activities are reported on in a Quarterly Information Bulletin.

The Survey of European Documentation is intended to serve as a supplement to the above publications. It deals with salient features of the process of European integration taking place outside Community bodies.

C O N T E N T S

P a r t I

DEVELOPMENT OF EUROPEAN INTEGRATION

At the National Level

	<u>Page</u>
I. <u>GOVERNMENTS AND PARLIAMENTS</u>	3
<u>Australia</u>	3
Commonwealth reactions to the Luxembourg agreements (17-23 June)	3
<u>Austria</u>	5
Attitude of Mr. Kreisky, Austrian Federal Chancellor, and Mr. Staribacher, Minister for Trade, on EEC questions (17-18 and 23 June)	5
<u>Belgium</u>	6
1. Debate in the Senate on the Foreign Affairs budget (16-18 March)	6
2. Examination of the foreign affairs budget in the Chamber of Representatives (21-22 April, 4 May)	11
3. Election of members of the European Parliament by direct universal suffrage - motion for a resolution (4 May)	17
4. Question in the Chamber of Representatives on the seat of the European Communities (11 May)	18
5. The use of French in the European Community (24 June) ...	20
6. Incompatibility of the Economic Expansion Act with the Treaty of Rome (24 June)	21
7. The Middle-East crisis (30 June)	22

	<u>Page</u>
<u>Denmark</u>	24
1. Debate on integration in the Danish Parliament: the Social Democrats call for a referendum (18 May)	24
2. Danish Minister for Economic Affairs and European Market Affairs: approach to the Common Market	25
<u>France</u>	28
1. The French Minister for Foreign Affairs discusses the problem of British membership (5 March)	28
2. A written question and a topical issue dealt with in the National Assembly	29
(a) Seat of the institutions of the European Communities (13 March)	29
(b) International monetary crisis (12 May)	30
3. Debate on European policy in the National Assembly (20 April and 9 June)	35
4. Talks between Mr. Georges Pompidou and Mr. Edward Heath (20-21 May)	50
5. Visit by the French President to Belgium (24-26 May)	53
6. Mr. Georges Pompidou, President of the Republic, in a radio and television interview (24 June)	56
<u>Germany</u>	59
1. Visit by the Italian Prime Minister, Mr. Colombo, to Bonn (1-3 April)	59
2. The Federal Chancellor is interviewed about European policy (3 April)	61
3. Visit by the British Prime Minister to Bonn (4-6 April)	62
4. Foreign Minister Scheel calls for a clear answer by the EEC on the question of Britain's accession (3 May)	64

	<u>Page</u>
5. Mr. von Hassel, President of the Bundestag, advocates the direct election of the German members of the European Parliament (4 May)	65
6. Discussions in the Bundestag about the monetary crisis (11 May)	67
7. Chancellor Brandt received the German members of the European Parliament (12 May).....	71
8. Mr. Franz Heubl (CSU), the Bavarian Minister of State for Federal Affairs, puts forward a four-point emergency programme for a European education policy (2 June).....	72
9. Chancellor Brandt discusses relations between the EEC and the USA with President Nixon (18 June)	73
10. Mr. Ertl, Minister for Agriculture, talks to the German-Swiss Chamber of Commerce about the major aspects of the agricultural integration policy (18 June).....	74
11. According to Mr. Karl Moersch, Parliamentary Secretary of State in the Foreign Ministry, 'policy on Eastern Europe is directly determined by policy on the West' (21 June).....	76
12. New forms of cooperation in a united Europe - lecture by Mr. Schmidt, the Federal German Defence Minister, at the Wilton Park Conference (22 June)	78
13. Statement by the Federal Chancellor and the Opposition in the Bundestag about the successful conclusion of the accession negotiations with the United Kingdom (24 June)...	81
14. Mr. Scheel, the Federal Foreign Minister, calls for an economic union based on stability (30 June).....	84
<u>Italy</u>	87
1. In the Senate Mr. Pedini, Under-Secretary for Foreign Affairs, gives a reply concerning Italy's participation in the European pool for the production of enriched uranium (18 April)	87
2. Mr. Colombo, Italian Prime Minister, speaking at the twentieth anniversary of the ECSC (24 April)	88

	<u>Page</u>
3. Discussion of the monetary crisis in the Chamber of Deputies and Senate (12 May-21 June).....	92
4. Talks in Stockholm between Italy and Sweden (19 May).....	98
5. Mr. Romita, Under-Secretary for Public Education, calls for the establishment of the European University (June).....	98
6. Italian support for the UNIPEDE initiative on nuclear programmes (4 June).....	99
7. Visit of the Italian Foreign Minister to Ireland (11 June)....	100
8. During his visit to the United Kingdom, Mr. Colombo, Italian Prime Minister, gives his views on the political integration of Europe (20-28 June).....	101
9. European policy debate in the Senate Foreign Affairs Committee (24 June).....	102
<u>Netherlands</u>	106
1. Approval by the Second Chamber of the gas-centrifuge agreement with Britain and Germany (3 and 9 March).....	106
2. Parliamentary questions.....	108
- The competence of the Court of Justice of the European Communities (31 March)	108
- The European policy regarding the Middle East (2 May)...	109
- Statement by Mr. Mansholt on the transfer of the textile industry to the developing countries (17 March-14 May)	110
3. Discussions between Mr. Rippon and the Dutch Foreign Minister, Mr. Luns, at The Hague (20 April).....	111
4. Discussions between three Parliamentary Committees and the Government on the economic and monetary union (25 April)	111
5. Report on the discussion between Mr. Westerterp and the special committee of the Second Chamber on the bill for direct European elections (26 April).....	114
6. Mr. Witteveen, Finance Minister, on the monetary crisis (25 May).....	117

	<u>Page</u>
<u>New Zealand</u>	119
New Zealand's Prime Minister visits Paris (26 April).....	119
<u>Norway</u>	120
Statements by Foreign Minister Cappelen to the Storting on Norway's accession to the Common Market (17 June)....	120
<u>Portugal</u>	124
Portugal and the EEC (20 June)	124
<u>Sweden</u>	126
1. Statements on integration policy in the Swedish Parlia- ment (1 April)	126
2. The Swedish strategy of integration (8-21 June).....	127
<u>United Kingdom</u>	129
1. Mr. Rippon, the proposed referendum and the meeting between Mr. Pompidou and Mr. Heath (3 May)	129
2. Debates in the Commons after the meeting between President Pompidou and Mr. Heath (24-25 May)	132
3. Statements by Mr. Heath and Mr. Rippon to the House of Commons on the accession agreements with the EEC (18 June)	136
II. <u>PARTIES AND PROMINENT POLITICIANS</u>	147
1. Europe and foreign policy in the election programmes of the Dutch political parties (30 January-6 February-7 April).	147
2. The Belgian Socialist Party examines the problems of the European Communities (27 March-19 April)	155
3. Twentieth Congress of the Belgian Communist Party (26-28 March)	156

	<u>Page</u>
4. Mr. Chabert (Christian People's Party), Belgian MP, proposes partial direct elections to the European Parliament (April).....	157
5. Conference of the Italian Socialist Party on the theme of European political integration (2-3 April).....	158
6. Professor Hallstein on the Pompidou Plan (8 and 16 April) .	160
7. Senator Fintan Kennedy asks for guarantees for industry before any decision is taken on Ireland's entry into the EEC (9 June).....	162
8. Speech by the leader of the Netherlands Anti-Revolutionary Party on the development of the European Community (13 April).....	163
9. Statements by the SPD, FDP and CDU on the negotiations for the United Kingdom's accession to the EEC (19 April) ..	165
10. Mr. Barzel, Chairman of the CDU/CSU Group in the Bundestag, publishes a stage-by-stage plan for the political union of Europe (4 May and 25 June).....	167
11. Mr. Jeanneney outlines the reasons for his opposition to the accession of the United Kingdom to the European Communities (5 May).....	169
12. Views of the Swiss parties on integration questions (22 May).....	172
13. Mr. Thomson and the constitutional future of Europe (25 May).....	174
14. Mr. Callaghan complains about rush tactics (25 May).....	175
15. Mr. Benn, Labour, and the proposal for a referendum prior to British membership (27 and 31 May-9 June).....	176
16. Mr. Roy Jenkins, Deputy Leader of the Labour Party, comes out in favour of Britain joining the EEC (19 June)...	179
17. Statements by the German Political Parties on the successful conclusion of the negotiations on Britain's accession to the EEC (23 June).....	180

	<u>Page</u>
18. Lord George Brown expresses his views on the importance of British membership of the EEC (30 June)	182
III. <u>ORGANIZATIONS AND GROUPINGS</u>	185
1. Two meetings of European Movements in Luxembourg (22 March-27-28 May)	185
2. The President of the Nederlandse Bank discusses the eurodollar market (April)	186
3. The President of the National Council of French Employers argues that inflation must be dealt with at the Community level (April)	187
4. The Netherlands Agricultural Association considers the Council's decisions on agricultural structures and prices (1 April)	188
5. Action programme for 1971-1975 of the trade union movement in the Netherlands (7 April)	189
6. The Italian Council of the European Movement discusses the Werner Plan (14 April)	191
7. Afro-Italian economic conference on 'The new Europe and a new Africa' (16 April)	192
8. Survey conducted by the European Movement among candidates for election to the Second Chamber (22 April)....	193
9. The Central Association of German Chambers of Industry and Trade (DIHT) calls for a common short-term economic policy in the EEC (22 April)	194
10. Twenty-second Congress of the Italian Confederation of Direct Farmers (26-28 April).....	195
11. Inquiry conducted by the Belgian Council of the European Movement into the election of the European Parliament by direct universal suffrage (27 April)	196
12. The European Independence Movement on British membership (May).....	198

	<u>Page</u>
13. The Italian Council of the European Federalist Movement calls for the direct election of members of the European Parliament (5 May)	201
14. At the Meeting of the Italian Council of the European Movement, Mr. Bersani discusses the institutional set-up Europe ought to have (23 May).....	202
15. Mr. Brugger, Federal Councillor, advocates steering a middle course on the integration question (25 May)	203
16. Foundation of an Information Committee on European cooperation in Sweden (June)	204
17. Opinion of Belgian industry on relations with non-applicant EFTA countries (10 June)	205
18. Swiss democracy and the EEC (27 June)	207
19. Call for new action by the Italian Executive Committee of the 'European Left' Movement.....	210

DEVELOPMENT OF EUROPEAN INTEGRATION

At the Community and International Level

	<u>Page</u>
I. <u>COMMUNITY INSTITUTIONS</u>	215
1. The meeting of the EEC Finance Ministers in Hamburg yields little in the way of practical results (26-27 April)...	215
2. Statements made in Rome by Mr. Haferkamp on Community policy on energy and fiscal and monetary matters (28 May).....	216
3. Speech by Mr. Spinelli on the future of the European Community	218
II. <u>MOVEMENTS, ORGANIZATIONS AND PROMINENT FIGURES</u> ...	221
1. European industry is distributed by the monetary situation in the Community (12 March-24 May).....	221
2. European industry states its position on the proposed statute for the European company (April)	222
3. The 'Scelba plan' for Europe (15 April)	224
4. President Walter Behrendt calls for more powers for the European Parliament (8-19 April)	226
5. European industry and enlargement of the Community (27 April)	228
6. The former President of the Commission, Mr. Jean Rey, comments on the relationship between the EEC and Greece (29 April).....	229
7. The Europa-Union criticizes the unsatisfactory course of European policy (3 May).....	230
8. Mr. Triboulet discusses the enlargement of the European Communities (4 May)	231
9. Teaching problems in the Europe of the Six	234
(a) The Committee of the European Teachers Trade Union (4-6 May)	234

	<u>Page</u>
(b) The Committee of Socialist teachers in the European Community (2-3 June)	236
10. Talks with Mr. Hans Furler, Vice-President of the European Parliament, on new moves to promote European integration (8 May)	237
11. Reactions of the European Left to the Council of Ministers' decisions on the monetary crisis (13 May).....	239
12. COPA (Committee of Professional Agricultural Organizations) comments on the monetary decisions and their repercussions on agricultural prices (15 May)	239
13. The conference of the Socialist International in Helsinki (27 May).....	240
14. The Trade Unions in the EEC - 20th European Conference in Recklinghausen (June).....	243
15. Study conference on institutional problems of a United Europe held by the International European Movement on 4 and 5 June at The Hague (4-5 June).....	244
16. Statement by the Permanent Conference of Chambers of Commerce in the European Community on the subject of floating currencies (11 June)	248
17. European agriculture and the enlargement of the Community (14-15 June).....	249
18. Meeting between representatives of the Latin-American countries and of the European Communities (18 June).....	250
19. The President of the International Metal Workers Union, Mr. Otto Brenner, calls for public checks on multi-national companies (25 June).....	252
20. Eighth Congress of the Social Democratic Parties in the European Community (28-30 June)	253

Part II

METHODICAL BIBLIOGRAPHY

	<u>Page</u>
1. General matters	2/B
2. Institutional matters	4/B
3. Economic matters	5/B
4. Financial and monetary matters	7/B
5. Competition	10/B
6. Social matters	11/B
7. Agriculture	12/B
8. Transport	14/B
9. Energy	15/B
10. Research and cultural matters	16/B
11. Associated countries and territories	17/B
12. External relations	21/B
13. Defence	22/B
14. Legal matters	23/B

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Political Parties and Groups represented in the Parliaments
of the Member States of the European Communities

Belgium

- CVP..... Christelijke Volkspartij, Christian People's Party
PSC..... Parti social-chrétien, Christian People's Party
BSP..... Belgische Socialistische Partij, Belgian Socialist Party
PSB..... Parti socialiste belge, Belgian Socialist Party
PVV..... Partij voor vrijheid en vooruitgang, Party for Liberty
and Progress
PLP..... Parti de la liberté et du progrès, Party for Liberty and
and Progress
VU Volksunie (Union du peuple flamand), Union of the Flemish
People
FDF-RW. Front démocratique des Francophones - Rassemblement
wallon, Democratic Front of the French-speaking People
(Walloon Party)
PCB..... Parti communiste de Belgique, Belgian Communist Party
KPB..... Kommunistische Partij van België, Belgian Communist
Party

France

- UDR..... Union des démocrates pour la République, Union of Demo-
crats for the Republic
RI Républicains indépendants, Independent Republicans
PS Parti socialiste, Socialist Party
PDM.... Progrès et démocratie moderne, Progress and Modern
Democracy
PCF..... Parti communiste français, French Communist Party
Gauch dém. Gauche démocratique, Democratic Left
CRARS .. Centre républicain d'action rurale et sociale, Republican
Centre for Rural and Social Action
UCDP ... Union centriste des démocrates de progrès, Centre
Union of Democrats for Progress

Germany

- CDU..... Christlich-Demokratische Union, Christian-Democratic Union
- CSU..... Christlich-Soziale Union, Christian-Social Union
- SPD..... Sozialdemokratische Partei Deutschlands, Social-Democratic Party of Germany
- FDP..... Freie Demokratische Partei, Free Democratic Party

Italy

- DC Democrazia cristiana, Christian Democracy
- PCI Partito comunista italiano, Italian Communist Party
- PSI Partito socialista italiano, Italian Socialist Party
- PLI Partito liberale italiano, Italian Liberal Party
- PSDI Partito socialista democratico italiano, Italian Socialist Democratic Party
- MSI Movimento sociale italiano, Italian Social Movement
- PSIUP ... Partito socialista italiano di unità proletaria, Italian Socialist Party of Proletarian Unity
- PRI Partito repubblicano italiano, Italian Republican Party
- PDIUM .. Partito democratico italiano di unità monarchica, Italian Democratic Party of Monarchic Unity
- SVP Südtiroler Volkspartei (Partito popolare sudtirolese)
South Tyrolean People's Party
- Ind. sin.. Indipendenti di sinistra, Left-Wing Independent (Member)

Luxembourg

- PCS..... Parti chrétien social, Christian Social Party
- POSL.... Parti ouvrier socialiste luxembourgeois,
Luxembourg Socialist Workers' Party
- PD Parti démocratique, Democratic Party
- PSDL ... Parti social-démocrate luxembourgeois, Luxembourg Social Democratic Party
- PCL Parti communiste luxembourgeois, Luxembourg Communist Party

Netherlands

- KVP..... Katholieke Volkspartij, Catholic People's Party
- PvdA..... Partij van de Arbeid, Labour Party
- VVD..... Volkspartij voor Vrijheid en Democratie, People's Party for Freedom and Democracy
- AR Antirevolutionaire Partij, Anti-Revolutionary Party
- CHU..... Christelijk-Historische Unie, Christian Historical Union
- D'66..... Demokraten '66, Democrats '66
- CPN..... Communistische Partij Nederland, Communist Party of the Netherlands
- PSP..... Pacifistisch Socialistische Partij, Socialist Pacifist Party
- SGP..... Staatkundig Gereformeerde Partij, Reformed Constitutional Party
- PPR..... Politieke Partij Radicalen, Political Party of Radicals
- BP Boeren Partij, Farmers' Party
- GPV..... Gereformeerd Politieke Verbond, Reformed Political Alliance
- DS'70 ... Demokratische Socialisten '70, Social Democrats '70

Part I

DEVELOPMENT OF EUROPEAN INTEGRATION

At the National Level

I. GOVERNMENTS AND PARLIAMENTS

Australia

Commonwealth reactions to the Luxembourg agreements

In a press conference before his return to Australia, the Deputy Prime Minister of Australia, Mr. Anthony, accused Britain of 'washing her hands' of all responsibility for the repercussions facing his country as the result of any British entry to the Common Market.

Like the Australian High Commissioner in London who said that the Commonwealth would become 'a hollow shell' if Britain persisted in going ahead at Brussels on the Rippon terms, Mr. Anthony takes a bitter and gloomy view of the future.

He said that the social and economic upsets in Australia would be particularly hurtful to the farming community in his country, but that his representations on this point had made 'no impression' on British Ministers. He added: 'I cannot see much hope for the Commonwealth if this is to be their approach.

I want to be sure that "third countries" do not pay the price of British entry. And as far as I can see, Australia is being treated like any old "third country".'

The Prime Minister of New Zealand, Sir Keith Holyoake, told Parliament on 23 June he was confident that the Government could safeguard New Zealand's interests within the framework of the broad agreement reached between Britain and the Six on a special arrangement for New Zealand's dairy products.

'Moreover, we shall be on a unique footing in our future dealings with the enlarged Community. No other country will enjoy the same advantages,' he said.

But the leader of the Opposition, Mr. Norman Kirk, said the arrangement for New Zealand dairy exports on Britain's entry to the Common Market was 'neither satisfactory nor just.'

Breaking the line on allparty unity, Mr. Kirk said it might have been the best agreement that Britain could extract from the Six, but it was not the best agreement for New Zealand's needs and purposes.'

(The Guardian, 17, 24 and 28 June 1971;
The Times, 22, 24 and 28 June 1971)

Austria

Attitude of Mr. Kreisky, Austrian Federal Chancellor, and Mr. Staribacher, Minister for Trade, on EEC questions

On 18 June 1971 Federal Chancellor Kreisky described the EEC proposal for the creation of a free trade area for the non-applicant EFTA countries as 'good and acceptable'. This proposal was in accord with the three-phase plan that Austria had been putting forward for a number of years.

Addressing journalists in Vienna on 17 June, Mr. Staribacher, Minister for Trade, said that Moscow would not be officially opposed to an agreement between Austria and the EEC. He had had talks in Moscow with Mr. Kossygin. He thought that it was, of course, not expected that the Soviet Union would welcome a link between the EEC and Austria and critical comments in the Soviet press were to be expected. But such a link was consistent with Austria's neutrality and its international economic obligations, particularly regarding the Soviet Union, which would be respected.

Speaking in Vienna on 23 June, Mr. Staribacher described the successful conclusion of the EEC negotiations with the United Kingdom as a long-awaited precondition for negotiations with the members of the smaller European Free Trade Area. So long as the United Kingdom's accession problems had been unresolved Austria and the other neutral States had no chance of any similar agreement. As he explained, the Austrian Government was in permanent contact with Switzerland and Sweden regarding a rapprochement with the Common Market.

(Neue Zürcher Zeitung, 20, 21 and 26 June 1971;
Die Welt, 24 June 1971)

Belgium

1. Debate in the Senate on the Foreign Affairs budget

The Senate examined the Foreign Affairs budget on 16-18 March. Discussions centred on European problems and more particularly on the political and institutional problems of European integration and on Britain's membership of the Communities.

(a) Political and institutional problems

Mr. Van Bogaert (Belgian Socialist Party), rapporteur for the Foreign Affairs Committee, recalled that the Luxembourg Agreements of 1966 had weakened the Community to the point of preventing full implementation of the EEC Treaty in 1969. In 1970 the Werner Plan was a 'substitute' for the objectives which had not yet been reached and an appendage to the existing customs union. The decisions taken on economic and monetary union may provoke fears that the Community might be dominated by technical organizations.

In fact these fears are unjustified because:

- the Ministers of Foreign Affairs remain responsible to their own parliaments;
- the Council is alone in taking decisions and does so solely on proposals of the Commission;
- the European Parliament is consulted.

The rapporteur pointed out that during the Committee meetings certain members had called for an increase in the supervisory powers of the European Parliament and even for direct election of its members who could thus exercise new powers. In the opinion of the rapporteur these wishes could not be implemented in the near future.

Mr. Van Bogaert wondered whether the Treaty should not be revised again to allow the economic and monetary union to be achieved. In his opinion this revision might weaken the supranational structure created by the Treaty of Rome which was essential for the success of European integration.

The poor results achieved by EFTA showed how likely this was.

Mr. Ballet (People's Union) raised the question of representation of the parties in the European Parliament. He believed that even before the organization of elections by universal suffrage the small parties should be represented in the European Parliament. At present this representation gives a mistaken idea of currents of thought in Europe.

Mr. Thiry (Walloon Party) drew the Senate's attention to regional problems. In his opinion 'at European or regional level the creation of a Community without adequate means of action is a waste of time, i. e. the time required for a futile experiment to confirm what everyone knew in advance, namely that without the means of action there can be no action.'

Mr. Harmel, the Minister of Foreign Affairs, commented first on the decision to establish the economic and monetary union progressively. 'As yet this is only a political commitment - nevertheless it is a firm and solemn commitment. This political decision already means that we have embarked upon a process of continuous development which will progressively lead us to economic and monetary unity by the end of this decade. The original aspect of this decision is, we believe, that it has succeeded in overcoming the fundamental differences of opinion between monetarists and economists. We believe that the impetus given in the first three years should be sufficiently clear for the process to be irreversible when the vital step comes to be taken on 1 January 1974. The Governments of the Community which will in the meantime have been enlarged, i. e. in all probability the Governments of the Ten, will then have to draw up a balance sheet of their economic and monetary achievements in the three first years and draw the relevant conclusions. Then too the Community must be given the powers it needs to achieve its aim.'

Mr. Harmel noted that Europe was now taking shape and that the institutional problem was becoming increasingly important. 'This is a triple problem:

1. What powers should be transferred from the States to the Community institutions?
2. Will the nation States have a say in management of the powers transferred in this way?
3. How will authority be shared between the European Parliament, the Council of Ministers and the European Commission?

These three questions require careful thought.

There is no simple answer to the problem of the transfer of powers. The process is bound to be both complex and progressive. Complex, because each transfer raises the three questions we have just noted and progressive because the Communities have acquired the habit of proceeding in stages.

However, I believe that we already have some experience to draw on and can start to lay down specific rules.

In the first place it is quite certain that at the end of the process of unification each State will continue to manage on its own all that can best be dealt with at its own level; matters of language and culture as well as local, regional and many other powers will always remain the responsibility of the States. The latter will become increasingly important because regional interests will be emphasized; a united Europe will not turn its back on its diversity. On the contrary, the diversity will become increasingly apparent as the Community is enlarged.

Secondly the nation States will be all the more willing to accept limitations on their sovereignty if two precautions are taken: first, there must be a gradual rather than sudden transfer of powers to the Community as a function of specific objectives determined in advance; secondly when powers are transferred to the Community, the Member States must retain their influence through the Council. And then there is a third idea which guides us in all our efforts to obtain the transfer of powers to the Community: it will be easier to grant fuller powers to the European Parliament and Council of Ministers if representatives of the Member States are involved in the process of decision-making. For example, there will be far greater inclination to increase the powers of the Council of Ministers if, as the Head of the French State has proposed, it remains made up of Ministers who continue to belong to their national Governments.

Similarly the Parliament may well be given wider powers if its Members are appointed partly by direct suffrage and partly by representation of the States, or if it consists of two Chambers, one of the States and the other of the people. This is a problem which remains to be solved but at all events it seems likely that fuller powers and authority will be transferred to the Community if Member States remain directly involved in the process of European unification.'

Mr. Leynen (Christian People's Party) stated that the theory put forward by Mr. Hallstein, the former President of the EEC Commission, had proved incorrect: the Community had no inherent dynamism. Its machinery needed oiling from time to time.

At present the Council is too often concerned with minor problems and disregards the major options. Under the presidency of Mr. Malfatti, the Commission of the Communities had become a technical consultative body with no real executive powers. The European Parliament distributes resolutions which are immediately shelved and forgotten.

He put forward a few suggestions which might enable short-term material concerns to be overcome and a European spirit fostered among the citizens. Majority voting in the Council must be introduced for all 'operational' issues as opposed to matters affecting Member States' vital interests. Members of the European Parliament must be elected by direct suffrage, if necessary through concerted action between the Benelux partners. Residents who are nationals of other Member States should be allowed to vote in regional elections.

(b) The United Kingdom's accession

Mr. Strivay (Party for Liberty and Progress) outlined the ultimate political and economic objectives of the enlarged Community: 'The political strengthening of Europe's position in the world; the consolidation of democratic institutions through the accession of countries with a long-standing tradition of freedom; the pursuit of general economic growth of the Common Market countries through an intensification of trade in an enlarged free trade area; the creation of a powerful technological Community in particular as a result of the British contribution which would allow Europe to enjoy genuine independence from the United States; better political and economic equilibrium within a Community in which Great Britain would help to counterbalance the power of Germany.'

Less striking but nevertheless important objectives include the world organization of agricultural markets which could be facilitated by the mere fact that Great Britain would no longer have any interest in preventing it.

It should also be added that the Treaty of Rome will remain the fundamental charter of the Community; its political, institutional and economic objectives must be resolutely pursued and the achievements of twelve years' work within the Common Market safeguarded. The new members must commit themselves to this principle.'

Mr. Strivay felt that these ultimate objectives might seem very ambitious by comparison with the achievements of the Common Market. The various common policies had not advanced very much: the programme of

qualitative growth had hardly got under way whereas quantitative growth - development of trade, higher productivity, better division of labour - had continued at a higher rate than in other industrialized countries. Even in the agricultural sphere where the Council's decisions had been inspired by general economic and social considerations, results had not matched earlier hopes. In this sphere too qualitative objectives must take precedence over concerns of productivity.

Mr. Harmel summarized progress in the negotiations with the United Kingdom:

'At a time when negotiations are reaching the most sensitive area, i. e. the question of finance, and we are encountering certain internal difficulties in the Community and to an even greater extent difficulties between the Community and the applicant countries, I believe it is worth stating vigorously that the direction we have taken is irreversible. We must not be discouraged by a negotiating procedure which, by the very nature of the complicated matters involved, sometimes leads to slowness which we should have preferred to avoid. But if we examine this matter seriously and calmly we find that the slowness is more apparent than real.

First of all it has been agreed on both sides that the political objectives and law deriving from the Treaty of Rome establish common ground between the applicant countries and the Community; secondly Great Britain has accepted our agricultural market organizations and signified its agreement to the principle of the Community's own resources. Finally agreement has been reached on the organization of a transitional period which must enable the applicant States to make the transfer from the status of a non-member State to that of a Member of the Community. In other words, the only question we still have to resolve is that of knowing how the four applicant States will make the transition from the status of non-member States to that of full members within a period which has already been fixed as a minimum of five years, possibly with an extension of two or three years.'

Mr. Harmel referred to certain difficulties encountered during the last Council meeting. 'There are three problems on which we stumbled a little yesterday evening and during the night and on which I must confess we have not been able to make proposals to Great Britain. These three problems are all technical and have considerable financial implications both for Great Britain and for the Community; the transitional arrangements for agricultural financing, the exceptions to be allowed for sugar from the Commonwealth countries and for New Zealand dairy products.

The Minister expressed his hope that the first part of the negotiations could be completed before the Easter recess and the second part in which texts could be drafted would be brought to a conclusion in the second half of 1971.

(Sénat, Annales parlementaires 1971, Nos 38, 39 and 41)

2. Examination of the foreign affairs budget in the Chamber of Representatives

The Chamber of Representatives examined the foreign affairs budget for 1971 during its sittings on 21, 22 April and 4 May. Several questions on European integration were discussed.

(a) Where is Europe heading?

Mr. Coppieters (People's Union) and most of the other speakers wanted a programme to be drawn up for Europe. 'What progress have we made already? What will happen to the Benelux union? Will it be strengthened or is it to disappear? What will be the structure of a centralized Europe? The normal answer would be regionalization but what stage has been reached with reforms? What do we mean by European federalism? Do we want a European Parliament with real powers? What is Britain's role?'

(b) Political union and pragmatism. The supranational and regional theories

Mr. De Wulf (Christian People's Party), the rapporteur, discussed the political union. In his opinion pragmatism was only one method and must not be taken as an excuse for an unimaginative policy. 'Pragmatism must encourage us to seize every opportunity which will enable the process of European unification to move ahead. In the opinion of the Council (of the Communities) a political union will result from monetary integration.

Political cooperation should in fact be the natural consequence of cooperation in other areas. The political union does not hinge on foreign and defence policy; it is above all important for the European Community to develop a policy and structure which correspond to its economic power. The

creation of common institutions and a European Government must also be envisaged as a function of political options. In this respect the dispute over supranationality seems less important and we are perhaps moving towards the creation of new Community institutions of an original kind... The Commission will shortly have to redefine its ideas on the European institutions. The Davignon Committee will also have to formulate new points of view. I hope that from now on rapid progress will be made towards integration.'

Mr. Pierre Bertrand (Walloon Party) referred to a Europe of regions: 'We are in complete agreement with all measures tending to strengthen the unity and cohesion of Europe. But we do not like the idea of a Europe based on a mere juxtaposition of Member States. Even if practical action is impossible at present we must still think in more imaginative terms. Frontiers are the scars left by history which do not generally correspond to popular will. They do not create an ideal internal structure for Europe. The Europe of tomorrow must be built on regions rather than on States. The region seems certain to become the basic building-block in the European structure; this regional reality is as striking in Britain as it is in our own country, where the task of organizing the regions has still to be faced.'

Mr. Evrard Raskin (People's Union) defended the supranational theory: 'Foreign policy is egocentric in the sense that it is focussed entirely on the State and on the defence of national interests. The policy of European integration is also warped by national ideas. Supranational structures are only accepted as a last resort. The existence of sovereign States seems to be taken for granted as the natural order of things.'

We should also do more on federalist lines to reduce national sovereignty because excessively one-sided or centralized measures would be both ineffectual and undemocratic.'

Mr. Van Elslande (Christian People's Party) stated that the European Communities were anything but democratic. 'The rule which requires unanimous decisions by the Council of Ministers has resulted in handing over complete power to an intergovernmental body. I am firmly convinced that the lack of genuine supranational organizations has furthered the cause of State nationalism. The economic success of the Common Market has merely reinforced the power of nation States. There is a risk that the EEC may move back towards nationalism because of the lack of political structures.'

Will the monetary union be a solution?... I believe that we must not place too much confidence in monetary unification. In my opinion we must make immediate moves towards the political unification of Europe. Political

unification is always the main problem.'

He did not think that the existing form of political cooperation was effective: 'After the Hague conference in 1969, one diplomat rightly stated that instead of moving towards a political community we had created the basis for a free trade area. No doubt it was not possible to obtain anything more at that time but let us not now pretend that we made substantial progress at The Hague. And what does President Pompidou mean when he talks about a "confederation". We have made no progress whatever towards political unification. Could we not achieve integration between less than six countries if all the Member States were not willing to move forward at the same rate? Four years ago I spoke to you about the prospects which the Benelux union held out to us. I fully understand that some people react negatively to the idea of a political Benelux union...

The West European countries must complete their integration if they are to play a role in the world; similarly the Benelux countries must integrate if they are to play a role in Europe.'

Mr. De Croo (Party for Liberty and Progress) put forward a plan for the division of powers at international, national and regional levels. 'Our country belongs to international organizations. There are innumerable spheres in which our national Government can no longer take decisions on its own. At the same time it is granting powers to the regions. The Government is thus becoming a kind of link-pin which takes part in international deliberations and coordinates the activities of the regions.'

Mr. Harmel, the Minister of Foreign Affairs, spoke in favour of a pragmatic approach to European unification. In his opinion political unification moved forward with each step towards achievement of the current objectives. 'I hope,' he added, 'that in 1972 the Ministers will be able to take stock and answer pertinent questions on future progress towards European unification.'

Referring to a Europe of regions, Mr. Harmel felt that 'the cultural powers of the regions will not lend themselves to internationalization. But if the regions have economic or infrastructural powers as do the Länder in Federal Germany, they will be given a say in decisions through appropriate institutions which Europe must create. I do not know what these powers will be, but they will have to be defined.'

(c) Information available to the Belgian Parliament on European problems

Mr. De Croo complained that foreign policy remained one of the least democratic sectors. 'What methods of supervision are in fact available to Parliament? It appoints representatives to international institutions but only through a permanent delegation to the Royal cabinet. In addition, Parliament may give directives to its representatives in particular to those who are members of the European Parliament.

Parliament has no influence on Belgian representation in international institutions or on information which the Foreign Minister chooses to supply. By this I mean that we are very badly informed... Parliament should have a greater influence on Belgian parliamentarians who belong to the Benelux interparliamentary Council and to the European Assemblies. What means of supervision does Parliament have? What do we know about the cost of our European and foreign policy? We have no information on this subject...

For generations, Article 68 of the Constitution has been the cornerstone of a policy which has prevented Parliament from performing a proper controlling function.

In concluding this part of my statement, I would emphasize that we must create a special committee in the Chamber to provide information on foreign policy. Could we not repeat the experiment of creating a ministry of European affairs? Could we not publish as an annex to the budget the exact cost of our foreign policy?... In 1957 the Belgian Parliament passed a bill ratifying the European Treaties. In Article 2 of that bill, it obliged the Government to provide information. So far the Minister has failed to apply this law. For four years the Government has not observed this legal provision.'

Mr. Harmel made the following statement on this subject: 'Several speakers have referred to the need to involve the national parliament and European Parliament in the decision-making process in European institutions. Between the decisions and their implementation it would be possible to convene committees responsible for providing information. This would entail convening some 10 committee meetings. I agree to some extent with this suggested procedure. In discussing the general budget of ways and means, there will then be a chapter on the Community budget. I can inform Mr. Van Elsandé that the proceedings of the European institutions will in future be brought to the notice of Parliament.'

(d) Towards a democratic Europe

Mr. Van der Elst (People's Union) referred to the powers of the European Parliament. He believed that the powers and rights of the European Parliament were the main problem rather than the direct election of its members. The lack of a democratic structure in the Communities was arousing mistrust on the part of the applicant States and in particular the Scandinavian countries. It was dangerous to grant wider financial and economic powers to the Community without strengthening the provisions for parliamentary supervision.

Mr. de Keersmaeker (Christian People's Party) considered the institutional problems arising from the development of the European Communities. 'The Council is assuming an increasingly important role. The present situation is not in accordance with the provisions of the ECSC and EEC Treaties. The EEC Treaty only gives the Council a coordinating function. The Commission was to be the driving force responsible for preparing Community regulations.

The Council and Commission must cooperate closely. However, since the Luxembourg Agreement of 28 and 29 January 1966, the right of the Commission to take initiatives has been restricted. The Committee of Permanent Representatives is playing an increasingly important role. As a result institutional equilibrium has been destroyed for the benefit of national interests. There is therefore an increasing tendency for the Council to disregard Commission proposals and entrust the Committee of Permanent Representatives with the formulation of new proposals.

In doing so the Council is of course far exceeding its right to introduce amendments. It is worth recalling in this connection the well-known case in which the Council of Ministers and the Committee of Permanent Representatives overstepped their powers; a Court of Justice ruling stipulated that the Council of Ministers could only act in compliance with provisions laid down in Community agreements and must refrain from taking decisions of a national nature. Some ministers of foreign affairs are still confusing national and Community interests to the detriment of the Community.

Mr. Nothomb again raised a plan of which he is a fervent supporter, namely the direct election of members of the European Parliament. 'Pending a solution of this problem by our neighbours we are at liberty to organize elections for our own representatives to the European Parliament.

I was astonished to hear Mr. Van der Elst say that direct elections were unimportant. I believe on the contrary that they are very important. I also believe that if we had a genuine European spirit we should not be afraid of progress towards integration. We can still do a great deal towards establishing a balance between the various powers before these fall under the domination of Europe.

My reason for returning at this stage to the problem of direct elections is that a tripartite proposal has been unanimously accepted by the Committee on European Affairs. Unfortunately the Committee for Internal Affairs which is responsible for electoral matters has treated it with less urgency. It was included on the Committee's agenda this morning but was not even reached. The Chamber should be able to take a unanimous decision and affirm through a motion for a resolution its own will to see the project for direct elections brought to a successful conclusion.'

Mr. De Croo also referred to the problem of the appointment of members of the European Parliament by direct suffrage. He wondered why the Government was taking no action, even though there was general agreement on the subject in the Chamber.

Mr. Harmel said: 'It has been asked whether a country like ours does not run the risk of losing all its influence in the institutions of an enlarged Community. . . We are certainly not underrepresented in the European Parliament. In addition small States have the same right of veto as large ones in the Council. If changes are made this power would have to be maintained in one form or another. One could for example imagine a two-chamber system with a Chamber of the People and a Chamber of the States or a single Assembly partially elected by universal suffrage and partially by some other means which remains to be defined.'

Referring to the appointment of the delegation from the Belgian Parliament on lists which would be voted on by universal suffrage, the Minister replied that it was up to the Belgian Parliament to take a decision guiding the Government on this problem.

(Chamber of Representatives, Comptes rendus analytiques, 21, 22 April and 4 May 1971)

3. Election of members of the European Parliament by direct universal suffrage - motion for a resolution

On 4 May 1971 the Bureau of the Chamber of Representatives authorized the printing of a motion for a resolution on the election of members of the European Parliament by direct universal suffrage. This resolution is the outcome of various proposals which have already been laid before the Belgian Parliament¹.

Extracts from the explanatory statement are printed below: 'A bill signed by Mr. Nothomb, Mr. Chabert, Mr. Van Lent, Mr. Baudson, Mr. De Croo and Mr. Van Offelen, was tabled on 14 May 1970; it was unanimously approved by the Committee on European Affairs but is awaiting consideration by the Committee on Internal Affairs.

Similar initiatives have already been taken in neighbouring countries and will come into force in 1972.

These are all positive and complementary measures; that is why it would be desirable for the Chamber to reach a decision, when the Foreign Affairs budget for 1971 comes up for discussion, on the principle of the direct election of representatives from the future Belgian Parliament appointed after the next legislative elections.

It would be generally welcomed if our country were among the first to make this important political gesture in favour of a more democratic Eur-

The text of the motion for a resolution is as follows: 'Sole Article. The Chamber favours democratization of the European institutions, in particular by the election of the European Parliament by direct universal suffrage.

Without awaiting the outcome of negotiations between the European Governments on this subject, it expresses its desire for direct universal elections to be organized in order to appoint Belgian representatives to the European Parliament from among the members of the Belgian Parliament, in accordance with Article 138 of the Treaty establishing the European Economic Community.

¹ See European Documentation No. 2/70, p. 35.

If possible the elections should be organized in the months immediately following the next legislative elections. The Chamber calls upon the Government to take appropriate measures. 27 April 1971 - Nothomb (PSC), Chabert (CVP), Larock (PSB), Meyers (CNP), Van Offelen (PLP).'

(Chambre des Représentants, Doc. No. 969, 1970-71, No. 1)

4. Question in the Chamber of Representatives on the seat of the European Communities

On 11 May 1971 Mr. Gillet (PLP) put a question to the Prime Minister about the 'Government's attitude to the manoeuvres of certain French interests to have the seat of the European Communities transferred away from Belgium.' The speaker alluded to ideas expressed by Mr. Lavenir, a former official of the European Communities, according to whom enlargement of the Community by the entry of Britain, Norway, Ireland and Denmark may modify the economic, political and linguistic equilibrium of Europe in favour of the northern countries and to the detriment of France and Italy. To avoid that situation it would be essential to establish the political and administrative capital of Europe in the Paris area. A site had been chosen: Montesson in the Yvelines, where a new town would be built which would enjoy international status.

This proposal was taken up again by Mr. Bernard Lefort in the newspaper 'Paris-Jour'; he wrote: 'Our partners (the partners of France) are saying this and none of them has proposed the name of any other town. The Germans know that Bonn cannot become the capital of Europe, the Italians would clearly be in favour of Paris, and the Dutch are not thinking for a moment of proposing The Hague. Finally, the British would be very much in favour of a French city because they believe that their acceptance might help to confirm their full commitment to the European Community.'

The French Government will not, however, take any initiative. It is waiting for the matter to be raised by its present or future partners. In the next few months they should make their intentions known to the Elysée. If they are favourable, Montesson would have a strong chance of becoming the capital of a united Europe.'

Concluding his question, Mr. Gillet asked the Government to break its silence and state its position.

Mr. Larock (PSB) recalled the discussions of 6 and 7 January 1958 concerning the seat of the Communities:

1. The following argument seemed to carry the greatest weight: it would not be desirable for the capital of Europe to be situated in a large country as this might be interpreted as a symbol of its predominant position.
2. It seemed undesirable to stress that on this matter each country has the right to oppose a decision which it felt to be unjustified, in other words the right of veto. Of course we have this right but it seems more relevant for us to emphasize what has already been done as well as our firm desire to improve the present arrangements.
3. Finally, successive Belgian Governments in the past 13 years have accepted fairly heavy material costs, not out of a desire for prestige but in order to make their best contribution to progress and success of the common task, and it would surely be ill-advised to add another dispute to the Community's present troubles.'

Mr. Scheyven (PSB), the Minister for Cooperation and Development, replied as follows:

1. The Government is closely following the campaign now being conducted by certain European journals on the subject of a possible transfer of the seat of the European Communities. I can give an assurance that the Government has no information suggesting that the role of Brussels may be called in question.

After agreeing to the establishment of the European Communities in Brussels, the Government has done all in its power to give the best possible welcome to these institutions. It goes without saying that the Government is very conscious of its responsibilities in this sphere.

The Government has also recently offered its partners a site for the future building of the Council of Ministers. Our partners unanimously welcomed this initiative.

3. Finally, it should be added that the Treaties of Paris and Rome specify that decisions concerning the seat of the Community institutions require a unanimous vote by the governments of the Member States.'

(Compte-rendu analytique, 11 May 1971)

5. The use of French in the European Community

On 26 June 1971 Mr. Ballet (Union of the Flemish People) called on the Ministers of Foreign Affairs and of French Culture to answer a question on 'certain statements made by the President of the French Republic concerning the use of French within the European Community, on the attitude that Belgium will adopt in this matter and on the fact that the Niamey Convention of 20 March 1970 sets out with the assumption that Belgium is a purely French speaking country.' Mr. Ballet stated: 'Europe cannot be built on the hegemony of a single language. A federal Europe must guarantee each ethnic group its own cultural essence. In the present European Community the languages of the six Member States are officially recognized. The political situation in 1958 enabled the French language to become predominant as a working language of the Community. Belgium must see to it that the four official languages now recognized remain recognized in the enlarged Community.'

The speaker stressed the political character of the movement in favour of French-speaking people.

Mr. Harmel, Foreign Minister, replied: 'The rules adopted by the Council of Ministers of the European Community lay down, in the first article, that the official languages and the working languages of the institutions of the Community are Dutch, French, German and Italian.'

A problem is obviously going to arise when the Community welcomes the United Kingdom, Norway and Denmark. All the documents of the Communities are drawn up in each of the four languages referred to and the possibility is open to all the members attending meetings of expressing themselves in their own language. The Belgian Government thinks that these languages will continue to be treated officially in the same way in the enlarged Community. The information I have at the moment does not show that the French Government envisages calling into question the official status regarding the use of languages in the Community.'

(Sénat, compte rendu analytique, 24 June 1971)

6. Incompatibility of the Economic Expansion Act with the Treaty of Rome

In the Senate on 24 June Mr. Ansiaux (Party for Liberty and Progress) addressed a question to the Government on 'the attitude it intends to adopt following the opinion published by the Commission of the Communities on 6 April 1971 on the inconsistency of the Economic Expansion Act with the Treaty of Rome.' He thought the idea underlying this act differed from 'that underlying the Treaty of Rome, because the authors of the act wanted to promote economic expansion in the country as a whole, within the framework of a national plan; the need for assistance arose because it was impossible for a new enterprise to raise any large amount of capital through the established procedure of going to the public to bid for people's savings... By bearing some proportion of the costs of the loan the State would in a way be returning the product of the tax on companies and dividends in the form of assistance of which foreign enterprises would be major beneficiaries.

The Treaty of Rome approached things from a completely different angle, its operative principle being to establish a single market where competition could have free rein. Hence the ban on subsidies which could indirectly re-establish barriers between Member States and upset competition.'

Mr. Claes (Union of the Flemish People) felt that Belgian legislators had been rather ingenious in getting around the provisions of the Treaty of Rome where the main criterion for granting regional assistance was the lack of jobs rather than the standard of living. He called upon the Government to apply European decisions fairly.

Mr. Cools, Deputy Prime Minister and Minister for Economic Affairs, recalled that the Official Gazette of the European Communities had published a Commission statement on 6 April 1971 to the effect that it had begun to initiate the procedure laid down in Article 93(2) of the EEC Treaty with regard to the Belgian Economic Expansion Act. The Minister added: 'The Commission considers that the application of the Act of 30 December 1970, on the basis of the Royal Decree of 6 January 1971 giving effect to it, is incompatible with the Common Market. It has formally ordered the interested parties, apart from the Member States, to present their comments within four weeks of the publication of the opinion.

Under the terms of Article 93, to which the Commission is referring, the Belgian Government is faced with the following alternatives. It can either submit its comments within the framework of the standing consultations instituted by Article 93(1), in which case the Belgian State would have to comply with the decision of the Commission, if necessary by rescinding or modi-

fyng the provisions under dispute. Or it could put a request to the EEC Council of Ministers to get it to decide that the assistance should be considered compatible with the Common Market. In this instance I would stress that the Government will opt for the former of these two solutions...'

'It should not be forgotten that the Royal Decree of 6 January 1971 was provisional in character. The Government is not losing sight of its obligations to promote economic expansion and to find solutions to regional problems: a Royal Decree is being drawn up to forstall the effects of the procedure initiated. It will be submitted to the Community authorities.'

(Sénat, compte rendu analytique, 24 June 1971)

7. The Middle-East crisis

On 30 June Mr. Simonnet (Belgian Socialist Party) addressed a question to the Minister for Foreign Affairs on 'the recent decisions of the Council of Ministers of the Six concerning the Middle-East crisis.'

He said: 'The position of the Six is that Europe has the right to assert itself as a Mediterranean power. This is perfectly reasonable. If we look into the recommendation of the Six it may be asked whether it is ultimately detrimental to the cause of peace. I wonder if the six EEC Ministers have not deviated somewhat from their objective by stating their positions in such a way as to make the negotiations difficult.

While I agree it is a good idea for the Six to adopt a common stand, I would ask you: (1) If the initiative taken really serves the interests of peace? (2) If it is plausible that Israel will agree to withdraw from all the occupied territories, including those that were formerly part of Jordan? (3) Lastly do you think that Europe can usefully contribute to a dialogue between Israel and the Arab States in such a way as to lead them to conclude peace?'

As far as Mr. De Vlies (Catholic People's Party) was concerned, they had gone too far in meeting the wishes of France, which wished to intervene politically in Mediterranean affairs. He could not accept a Europe in which one of the four great powers imposed its will and where France played the part of spokesman for the EEC. The working document of the Council displayed an unyielding attitude to Israel.

Mr. Harmel, Minister for Foreign Affairs, explained the position that the Belgian Government had adopted during the discussions which had led the Six to harmonize their approach to the Middle East. He stated the three principles underlying the Belgian attitude:

'1. It is no longer acceptable for Western Europe not to be involved in the search for a solution to the conflict in the Middle East. It is already regrettable that it was unable to intervene effectively to prevent the events that took place in 1967. It would be equally regrettable for Europe not to participate in the efforts to reach a peaceful settlement now being made. It is consistent with the interests of Europe and the interests of the States in this region for the European countries to take part diplomatically in the efforts to secure a peace settlement. The impressions that I gained in my recent trip confirmed this.

2. The basis for peace can only be the implementation of the Security Council's resolution of 22 November 1967, which we described at the time as miraculous. This resolution provides for a whole range of interlocking measures. It also provided a method for working out a solution with the interested parties, i. e. recourse to the good offices of the special representative of the Secretary-General, Mr. Jarring... On the other hand we feel it is essential to take definite action in the diplomatic field and to do so energetically and discreetly to secure its application. It was in order to ensure that this diplomatic action was as effective as they wanted it to be that first the Six and then the Ten harmonized their positions.

3. This diplomatic action is naturally geared to one main objective: ultimately, to ensure peace in this region. It is not a question of maintaining a truce - it is important to say this now - or of simply establishing that the state of war is over. On the contrary, a peace treaty must be signed and this must change the relations between the States in this region and enable all of them to live in peace. We need to understand all the difficulties of going from a state of war to a state of peace.'

(Chambre des Représentants, compte rendu analytique, 30 June 1971)

Denmark

1. Debate on integration in the Danish Parliament: the Social Democrats call for a referendum

During the debate on Europe held in the Danish Folketing (Parliament) on 18 May 1971, Mr. Nyboe Andersen, Minister for Trade, said he was satisfied with the progress of the Brussels accession negotiations. Denmark hoped to become a member at the beginning of 1973 and wanted to avoid any transitional period for agriculture. Its wish to join was not restricted to the economic aspects; it also meant Denmark had the political will to participate in wider forms of European cooperation.

In the debate the main point of concern for the Social Democrats in particular was that before any decision in Copenhagen, it must be made clear, at the negotiations, whether the EEC would leave Denmark free to develop its own social policy. Mr. Nyboe Andersen replied that the Rome Treaties considered the way social policy was applied to be a matter for the individual Member States. There was no mention of any downward adaptation of social policies. 'The idea is, on the contrary, to enable those countries that are lagging behind to catch up with the most advanced.'

The debate took place against the background of a decision taken on 4 May by the party leadership and the parliamentary group of the Danish Social Democrats in which they came out in favour of a referendum on Denmark's accession to the EEC.

So the Party took up a proposal by Mr. Haekkerup, former Foreign Minister, who launched this idea in a speech he made on 1 May. Naturally Mr. Haekkerup wanted a referendum to precede the final policy statement of the Parliament whereas the Party only advocated a plebiscite after the Folketing's decision.

The Social Democrats explained that they were sticking to their existing policy on the Market. This meant that they wanted Denmark to join the Community of the Six, provided (i) the United Kingdom were a member of the EEC; (ii) the remaining Nordic countries could come to some arrangement about their relations with the EEC, and (iii) the Danish Parliament retained the right to decide on its own main welfare and fiscal policy problems. After discussion of integration policy problems and final agreement in the Parliament, these questions should be submitted to a referendum, quite independently of whether the Folketing's decision were supported by simple

majority or by a majority of five-sixths of all those eligible to vote. According to the constitution, a five-sixths majority would be needed for Denmark to join the European Economic Community.

(Neue Zürcher Zeitung, 6 May 1971;
Frankfurter Allgemeine, 19 May 1971)

2. Danish Minister for Economic Affairs and European Market Affairs: Approach to the Common Market

In an article published in the 'Danish Journal 70' Mr. Poul Nyboe Andersen, Minister for Economic Affairs and European Market Affairs, considers that membership in the EEC will benefit the national economy. He hopes that the 1970's will see a move towards a true economic and monetary union in an enlarged Community and envisages among later developments a coordinated European attack on pollution and a common approach to other social problems.

'It is important for maintaining the dynamism of European integration that the area of cooperation should be widened and deepened so as, to a greater extent than hitherto, to include monetary, economic, industrial and technological matters. It is no less important that the EEC should become the core of a European partnership of sufficient geographical extent. The negotiations on an extension should therefore lead to the inclusion of all the European countries who are willing to join. The considerable European results that have been achieved in cooperation by the EFTA countries must not be sacrificed, but as far as possible preserved in a broader European framework. In Denmark's case, an extension of inter-Scandinavian cooperation will be important. We mean to continue and develop this in a larger European setting, and we believe it to be not only a Scandinavian but also a European interest.

We are ready to accept full membership responsibilities from the moment the enlarged treaties come into force, but are well aware of the possible need to agree to a period of transition in deference to the other applicant countries. We find it natural that the terms of this transition period should so be framed as not to have unreasonable effects on our economy. Denmark is among the countries that have been most adversely affected by the split in the European market. Danish exports to Common Market countries have fallen considerably since introduction of the EEC's agricultural policy, while French exports of food to the other EEC countries, of the same order as Den-

mark's in 1960, have quadrupled...

Membership of the Common Market will unquestionably have a vital effect on the Danish economy. The creation of a large market, with goods freely crossing national frontiers, must lead to an expansion in inter-European trade and thus will help to promote a bigger growth-rate in the European economies. The effect of the present split in the European market is reflected in Danish trade figures. In 1959, the Common Market countries accounted for a third of our exports, and in 1969 their share had fallen to under a fourth. Conversely, EFTA exports to Denmark show a rise from 40 per cent in 1959 to about 50 per cent in 1969. This alteration in the trade pattern is no less remarkable in view of the fact that in the 1960s economic growth in the Common Market countries was substantially greater than in the EFTA countries as a whole...

Abolition of tariffs and other trade restrictions together with the introduction of a common external tariff will enhance the opportunities for industrial exports to Common Market countries. At the same time, we can expect greater competition at home. Introduction of the EEC's common external tariff in Denmark could mean that Danish industry would have to relinquish the cost advantage it enjoys through tariff-free imports of a number of raw materials and semi-manufactures. The costs of power production may well increase also. Given present competitive conditions, this will mean a reduction in the cost advantages of under 1 per cent of the aggregate industrial turnover. The industrial disadvantages of belonging to the Common Market, therefore, will probably be outweighed by the marketing benefits, especially on the long term...

On the whole, I think there can be no doubt that the creation of a broad European Community will benefit the Danish economy and will increase the economic strength of Europe. The achievement of greater economic prosperity in Europe will, however, be conditional on a dynamic approach to co-operation. The problems of European economic cooperation have been changing continuously, and I think that the emphasis will continue to change. The issues will undoubtedly move away from the problems that were uppermost in the 1960's, namely the abolition of tariffs within the EEC and EFTA respectively and realization by the EEC of the common agricultural policy.

Along with a fusion of the two economic groupings in the 1970's, we should go a good step towards a true economic and monetary union. At the centre of discussions in the 1970's we should therefore expect to see cooperation on economic and monetary policy, removal of trade restrictions other than tariffs, extension of cooperation to taxation, and cooperation in technology and research. We may envisage also that European countries will inten-

sify and coordinate their attack on environmental problems, such as pollution, which follow in the wake of industrial development.

Later - and this may well prove to be the main task of the 1980's - I think attention will increasingly concentrate on matters not directly economic. The solution of such problems as democratic participation, education, etc., now facing the various countries, can then perhaps, through the development of European integration, be tackled in a broader European context.'

(Danish Journal 70)

France

1. The French Minister for Foreign Affairs discusses the problem of British membership

At a meeting of the National Assembly's Foreign Affairs Committee on 5 March, Mr. Maurice Schumann, Minister for Foreign Affairs, discussed the British application for membership of the Common Market.

He said: 'There is no question of France's vetoing Britain's joining the Common Market; France has simply come back with the argument the Community put forward in 1967, and even more strongly in 1969, to the effect that the problem of Britain's sterling balances was a capital one that had to be solved.'

There is a conflict between membership of the Community (which has its own monetary reserves and whose duty it is to support the currencies of its members) and possessing an international reserve currency (as Britain does). France is not asking for this state of affairs to be changed at the very beginning but it would like a reduction in these sterling balances during the transitional period.'

Mr. Schumann said that the British Government's reaction to the French approach had not been unfavourable. The sterling problem had also been discussed at the latest round of talks between Mr. Rippon and the Community. 'The British representative said that we should not dramatize this problem. I myself find regrettable the publicity given to this affair which should have remained a confidential matter, as France requested at the meeting on 17 March.'

Outlining the conditions to be respected in enlarging the Community Mr. Schumann said: 'The United Kingdom must make its choice. If it wishes to join the Community it must accept the Community rules.'

Entry into the Community means accepting Community preferences.

The principle of financial solidarity, which the United Kingdom has in fact accepted, must be recognized. But as regards the arrangements for putting this into application, the British proposal to meet only three per cent of the Community's expenditure is not realistic.

The United Kingdom must accept the common agricultural policy.

I am sure that, like the Government, the Parliament wants the Community to be enlarged but that it will refuse to accept the inconsistency inherent in the idea of enlarging the Community and at the same time sacrificing its Community character.'

(Le Monde, 27 March 1971)

2. A written question and a topical issue dealt with in the National Assembly

(a) Seat of the institutions of the European Communities

In a written question dated 13 March 1971, Mr. Godon (Union of Democrats for the Republic) informed the Foreign Minister that he had learned of statements attributed to him on the question of the final seat of the European institutions. A number of responsible Europeans had then come out in favour of settling this issue through the development of a European district in the Parisian area; he was astonished at the comments that had been attributed to him; and he wanted to know to what extent these statements, if they were true, reflected the official view of France. Bearing in mind in particular the imbalance resulting from the eccentric nature of the economic centre of gravity of the EEC, an imbalance recently referred to again by very high national and international authorities, Mr. Gordon wanted to know if the study of the plan for a European district at Montesson was to be the subject of an official decision.

In reply the Foreign Minister stated: 'As the honourable Member knows, Article 216 of the Treaty of Rome states: "the seat of the Community institutions shall be fixed by mutual agreement between the governments of the Member States." The implementation of this provision gave rise to a lot of discussions at the beginning of 1958 both in the European Parliamentary Assembly and on the Council of Ministers of the Communities; the problems that would be raised by the creation of a European district were carefully examined. Failing any unanimous agreement between the six Governments on the location of such a district they had to establish "provisional places of work" for the institutions of the Communities. Provisional by definition, the decision taken to this effect by the six Governments in 1958, and confirmed in 1959 and 1967, remains valid today. It is however desirable to stress that this leaves the question of the seat undecided and in no way prejudices the final

solution to be worked out in application of Article 216 of the Rome Treaty. While we are naturally inclined to take a favourable view of the rights that Paris and the Parisian region can legitimately claim, the Government has in no way been associated with the preparation of any plan for a European district in the Parisian region, or more particularly, in Montesson. It is in fact aware of the very great difficulties which have so far prevented any final settlement of the question of the seat of the Communities from being reached. It does not believe that the time has come to raise this question officially at a time when problems which are even more important are demanding the attention of the European Governments. This is why, while aware of the merits of the plan discussed by the honourable Member, the Government feels it preferable not to take any initiative on this subject.'

(J. O. Débats parlementaires, Assemblée nationale, 13 May 1971)

(b) International monetary crisis

At the National Assembly on 12 May 1971 Mr. Claude Roux (Union of Democrats for the Republic) asked the Government about the measures envisaged to resolve the international monetary crisis.

In reply Mr. Valéry Giscard d'Estaing, Minister for the Economy and Finance, stated that the attitude of the French Government during this crisis had been governed by three concerns: 'Firstly, to protect the French economy from this shock; secondly, to try and obtain a thorough analysis of the international monetary problem and not only of its apparent consequences; thirdly, to see to it that the measures taken do not compromise the effort being made to organize an economic and monetary union in Europe.'

On this latter point the Minister recalled that the summit meeting at The Hague had established the principle of economic and monetary union. It is with some astonishment that one looks back to the difficulties encountered the previous 14 December when it was thought that the French delegation was dragging its feet in the organization of this economic and monetary union. Lastly it will be remembered that in February we agreed between ourselves on a certain number of stages, the first of which was to begin immediately, to achieve this union.

Was it possible to face up to this crisis by recourse to Community measures? What were, in fact, the Community solutions that would be right for resolving this difficulty?

The first, which was the one the German Government undoubtedly envisaged, was a concerted floatation of all the currencies of the Six.

One had to be clear about the consequences of such a solution which would indeed have been a Community one. If there had been a concerted floatation of the currencies of the Six to bring about a change in parities, it would have been an indirect way of bringing about a collective revaluation of the currencies of the Six.

Under present circumstances could the collective revaluation of the currencies of the Six be regarded as desirable? We discussed this and several delegations - France was not the only one, even among the larger Member States - said they were against this idea not only for circumstantial reasons relating to the fact that the present monetary difficulties are not due to the surplus in Western Europe's balance of payments but also for philosophical and political reasons.

Indeed if we were to accept the collective revaluation of the currencies of the Six, this would mean our agreeing to periodically redress the monetary inflation of the United States by economic deflation in Europe, a deflation which we should have to pay for in terms of expansion and employment.

This is the basic reason why we were unable - I say "we" in the plural - to opt for a concerted floatation.

In point of fact, the second Community solution would have involved concerted action to restrict the flow of floating capital into the European Community.

It was possible to envisage introducing provisions, on the lines of those we are already applying, to restrict these inflows of floating capital and, as a result, to raise the true problem indirectly, that of the creation of this floating capital.

We debated this. Some of our partners, notably the representatives of the Federal Republic of Germany, stated that they were unwilling to adopt such measures under the present circumstances.

Seeing that a Community solution was impossible, what were we to do?

We were informed of the intention of our German partners to float their currency, and it was probable that any country whose economy was closely bound up with theirs would do the same. Now the floatation of certain currencies in the Community is obviously not a Community solution.

I would here recall the conclusion of the deliberations of the Council of Ministers of the Six of 6 October 1969, the second paragraph of which stated: "Feeling that the system of a floating rate of exchange is in itself incompatible with the Common Market, stressed the value..."

We therefore discussed this problem. It appeared that that solution was not a Community one.

The French delegation endeavoured to reduce the resulting disadvantages in two important aspects: by restricting the period of floatation and by placing a ban on any unilateral measures at the frontiers.

First of all as regards the time restriction.

Although we listened to the arguments of our partners to the effect that to set a time limit was to hand speculators an invitation card, we decided instead to embody in the document itself a condemnation of floating rates. After prolonged discussion we were able to include in the text which was adopted a reference to the incompatibility of floating rates with normal operation of the Common Market. This means that our partners undertook to return to a system of fixed rates of exchange at the end of the floatation period.

Our second concern, as I have said, was to avoid any unilateral measures at the frontiers.

As regards agricultural products in particular, it was almost certain that our partners were preparing to adopt a number of corrective measures, at the frontiers as from the Monday morning, and that these measures had been decided upon unilaterally.

Our lengthy discussions led to these unilateral measures being abandoned and replaced by Community measures decided upon by the Council of Ministers on the basis of a proposal from the Commission. These measures, as you know, were decided upon yesterday by the Council, made up of Ministers of Agriculture.

Lastly we wanted the document to signify not approval but what we referred to as understanding for the special situation of our partners under the difficult circumstances they were facing.'

The lessons to be drawn from the situation were, according to Mr. Giscard d'Estaing, three in number.

'The first is that the core of the problem was not discussed. All that was said and all that was decided concerned the currencies of Western Europe which, as you know, were not responsible for this situation.

Hence we and the international community at large still have to deal with the heart of the matter. We have to deal with it in two ways, and first of all at Community level.

In our joint statement it was planned that measures had to be decided upon regarding control over the movement of floating capital before 1 July. It was within the Community's power to adopt these measures and we saw this as being a real test of the European will to discuss the real issue.

But of course there will still be the international facet of the problem, with reference to which I would remind you of the basic principles of France's attitude.

First principle: we believe that the burden of the process of adjustment must fall on the shoulders of the countries having a deficit in their balance of payments and not on those which have a surplus.

Hence we are sticking to the spirit and letter of the Bretton Woods agreements, which provided for fixed rates of exchange which could not be modified except in the event of a fundamental imbalance and on the initiative of the country having a deficit.

Second principle: we only accepted the creation of special drawing rights under certain conditions which were specified at the time and which we were based on a realization of the need for international liquidities.

We must point out that there was no need for any additional international liquidities in 1970 and yet three and a half thousand million dollars

of additional special drawing rights were created.

Lastly, the third principle: we proposed on several occasions - in line, I think, with the feeling of the National Assembly - that there should be international supervision of the immense market of the Eurodollar.

The second consequence was a hiatus in the realization of economic and monetary union, not because of the four countries which actually upheld the principle of fixed rates of exchange, but because of the initiatives taken (in view no doubt of their special situations) by the countries that thought it essential to accept the floatation of their currencies.

Indeed, the very principle of economic and monetary union which leads to a single monetary organization, consists in narrowing the bands of fluctuation and bringing the currencies closer together.

When we in the French Government saw that we were going in the opposite direction, we said we did not feel it desirable for our experts to pursue the finalization of the economic and monetary union for as long as the currencies of the Six went on floating against each other.

There were some who tried to make this out, by analogy, to be a return to the "empty-chair-policy" which France was forced to pursue under other circumstances. Our country continues to participate in the work of the various Community bodies: it was for example at yesterday's Council of Ministers' meeting and it will be at the one of this afternoon. But it will see to it that we do not end up in an unreal situation where we call our experts together to hold discussions amongst themselves about the means of organizing the single intervention of the central banks of the Six or to narrow the bands of fluctuation, as from 15 June, at a time when we are entering on a phase, which we hope will not last long, when some of the currencies of the Six are to be floated.

On this point the French Government trusts that this is only going to be a short interval which will come to a conclusion as soon as it is possible to return to fixed rates of exchange.

The third and last consequence concerns the French economy.

In this respect we have two duties.

First of all we must protect the French economy against the inflation which other countries are trying to contend with by allowing their rates of exchange to fluctuate.

Because we have chosen to maintain a fixed rate of exchange we must carry our efforts to deal with inflation into other sectors. And it is with some seriousness that we think it is the Government's duty to defend the French economy against inflation at this juncture, but, once this monetary blizzard has subsided, it will also be the duty of all French people.

Next we must take advantage of the opportunity raised by the floatation upwards of certain currencies in neighbouring countries to undertake a new export drive to penetrate foreign markets.

If France were determined and able to struggle collectively against inflation, and if at the same time it were to take advantage of the fact that its prices have a new competitive edge on neighbouring markets, the present circumstances could be beneficial to the French economy.

This is why the Government trusts that the National Assembly will be drawing a new determination from these circumstances to pursue the French policy of expansion but also of stability.

(J.O. Débats parlementaires, Assemblée nationale, 13 May 1971)

3. Debate on European policy in the National Assembly

(a) For the Government, Mr. Chaban Delmas, Prime Minister, made a statement to the National Assembly on 20 April 1971.

On European policy, he stressed the progress made since the summit meeting at The Hague. The final financing regulation had been adopted; the consolidated agricultural policy had been finalized for the greater good of the farmers of the Community and, in particular, farmers in France. An agreement had been reached on economic and monetary union and negotiations initiated with the States that had applied for membership of the Communities.

On this latter point he added: 'We are approaching the decisive stage in the negotiations. Here France is adopting the same positive attitude as it did at the conference at The Hague, and one of its aims, of course, is to ensure respect for the basic principles of the European Community. Abandoning these principles would lead to the destruction of the Community.'

Although France sometimes takes the initiative in spotlighting some of the difficult aspects of the negotiations, it is not because it is trying to raise obstacles to the accession of the United Kingdom or the other applicant States but because it feels that it would be dangerous to allow any ambiguities to persist at a time when the political and economic map of Europe is being redrawn.

The European Community is not a straightforward customs union. It is a community whose economic personality is becoming more definite every day and whose political personality, which is still rather vague, is going to become more clearly defined as time goes by and as each of the Member States becomes aware of the vital part that a resolutely European Europe could play in the world. It is into this Community that we should like to be able to welcome our friends from across the Channel. It is this Community which we feel must, as the head of our State explained at his press conference on 21 January, gradually assume the shape of a confederation of States that are fully determined to live together and coordinate their activities in every field. Making Europe does not mean giving up France. Quite the contrary, we intend to develop France in order to strengthen Europe.'

In conclusion Mr. Chaban-Delmas explained the broad outlines of the success that should result from the Government's policy, a success on the part of France and at the same time on the part of Europe, whose vital cog France had, by force of circumstances, become.

It was true that past conflicts, the diversity of its traditions and the very wealth of its values had made the unity of Europe more difficult to achieve than was the case with new continents. But the rewards would be commensurate with the efforts made. 'In a tough world often striving to regain its balance, Europe can once again go far and high, provided it can weld the power that will result from its unity to a specifically European concept of civilization. The heart of the European harbours a vision of justice, dignity and individual self-realization in which France, which has given so much to Europe, is able to recognize its own reflection. Whether vision is to become a reality will depend to a large extent on France.'

During the discussion on the censure motion tabled by the Socialist Group, Mr. Claudius-Petit (Progress and Modern Democracy) expressed regret that they had begun by building a shopkeeper's Europe 'because trade relations do not necessarily foster political feelings. Some of us "European" Frenchmen believe that building Europe is not only a matter of promoting trade between Europeans but much more of preserving a certain idea of freedom and democracy in this part of the world.

For us this is what Europe means. It is neither the Europe of shopkeepers nor necessarily that of economic interests. Above all it affords a chance of preserving on this earth a haven where human purposes and a certain concept of freedom can develop freely without disturbing anyone: such a Europe would be a force for peace. We more than any can act in this direction and, to return to what you were saying, Prime Minister, I should say that if building Europe does not mean giving up France it is to be feared that by not building Europe we may end up by obliterating France.

This is why I ask the Government if it is really reasonable to waste time on technical details in everything that stands between us and the entry of the United Kingdom into the Common Market. I have the impression that we are pursuing the policy of a petty tradesman and that by waiting too long we are liable to ruin everything.

We should therefore take the initiative. You should not miss the chance, Prime Minister: at the moment the ball is in your court. It is for you, for us, to act. We and you can take the initiative. Because you have a sufficiently strong majority to do so without risk, be bold enough to reassure the United Kingdom in this sphere because at the moment public opinion on the other side of the Channel is very sensitive and there is a real fear that we are going to miss this opportunity of really building Europe.'

Mr. Louis Terrenoire (Union of Democrats for the Republic) said it was thanks to the President of the French Republic that certain prospects had been opened up again in regard to the future of the European institutions: at last it appeared to all reasonable men who had lived through the last twelve years of the European Economic Community's existence that these institutions had to be confederal rather than supranational in form.'

Mr. Terrenoire said that the British had approached the accession negotiations like businessmen negotiating a deal, forgetting the essentials. 'The first essential of an Economic Community is Community preference. Without this there can be no Common Market. Unreserved acceptance of this does not mean that provisional arrangements cannot be made or that suitable

transitional time-limits cannot be set.'

'Of course we understand the British when they explain their difficulties in jumping onto a moving train. But between that and reducing speed to 3 per cent - I mean between that and only envisaging such a small contribution to the resources of the Community - there is a wide gap. It is understandable that this figure should have appeared to be in the nature of a joke.

I will not dwell on how one can interpret the term political will. I will only mention the sterling balances which are an offshoot of the unfair privileges enjoyed by the dollar and which are hard to reconcile with a healthy monetary situation or an honest normalization of monetary relations between the Six.

But we think political will presupposes a reply to the question that our friend Mr. Maurice Couve de Murville recently put to Mr. Roy Jenkins, the former British Minister, during their fascinating encounter on television.

Unfortunately he did not get any reply. It was a question of establishing what would be the attitude of the United Kingdom if its accession to the Common Market were to be followed by pressure from the other side of the Atlantic to change the Common Market into an Atlantic area. This raised the whole issue of the independence of Europe.

For an enlarged Europe will not become the fourth world power we all want it to be unless it remains in full control of its future. Any ambiguous agreement on this capital point would carry with it the risk of a crisis which would for a long time and perhaps permanently ruin the hopes pinned on European unification.

It is now up to the British and French Governments to assess whether a summit meeting - I mean between the British Prime Minister and the President of the French Republic - could cut the Gordian knot, if indeed this exists as some claim. Hoping as we do that the European Economic Community will be enlarged, we remain optimistic.'

(Journal officiel, Débats parlementaires, Assemblée nationale, 21 April 1971)

(b) On 9 June a foreign policy debate was held in the National Assembly. It began with a Government statement by Mr. Maurice Schumann, the Minister of Foreign Affairs, dealing mainly with European policy.

Now that the European Community had been completed, in particular through arrangements to endow it with its own resources, Mr. Maurice Schumann felt there was nothing to prevent negotiations being opened with the applicant countries.

'As soon as the applicant countries addressed themselves to a Community which had overcome its precarious situation of the past, we began the negotiations on enlargement - in accordance with the commitment entered into first of all here in June 1969, then in Brussels in July 1969 and subsequently at The Hague in December 1969 - with the firm intention of leading them to a successful conclusion.

Admittedly that aim has not yet been achieved. But we do not regret having taken steps to ensure that the prospects of success are greater than the risk of failure. I believe we have at least three good reasons not to regret our action.

First of all we should have been unwise not to take advantage of a development which could not have been completed or even perhaps begun without the tenacity of our country. Our five partners, and then the four applicant countries, have made a welcome and, I believe, decisive move towards awareness of the needs and hopes of the Community which France has tried to safeguard on two occasions, although its action was misunderstood.

I do not propose to consider here the biased arguments put forward by fanatics on both sides. Yes, something has changed since 1963. But whatever gullible observers may believe, it is not French policy which has changed. To quote only two examples, are the implications of British membership of the Common Market the same, regardless of whether that country applies the system of Community preference immediately? Will British membership have the same implications before and after the end of the transitional period, before and after the guarantees of irreversibility come into force?

The reply is only too clear: before clarification of the British position, anxiety and - let us not mince words - a certain mistrust in face of a genuinely incalculable risk were inevitably felt in the Community. But once the British position became clear, the same attitude and vocabulary, I nearly called it the same "package", on the part of the EEC would have been tanta-

mount to a genuine veto which would have been fatal to the Community's cohesion, i. e. sooner or later to the Community itself.

History will confirm what the texts already suggest: the Community can now be enlarged while still continuing to merit its name, because its essential nature was preserved a few years ago through that salutary intransigence which was characteristic of General de Gaulle.

Does the completion of the Community rule out once and for all the risks of enlargement? Certainly not. The risks will only disappear when the United Kingdom has become unreservedly wedded to Europe while firmly refusing, as we do, to abandon any part of its heritage, affinities or alliances. We know that the stresses will not disappear overnight. But that is only to be expected.

Now for our second good reason: Mr. Heath's visit to President Pompidou and the clear statements they both made as well as the honesty of the conclusions Mr. Heath drew without a single omission to the House of Commons, all lead us to believe that when the time comes for the Mother of Parliaments to reach her verdict, she will have weighed up the implications and consequences of her choice.

All the indications are in that direction, especially since the events of the day before yesterday.

Only a few weeks ago when France raised the question of the international role of sterling against the background of economic and monetary union, observers interpreted this as an obscure manoeuvre - and why not? - as yet another veto.

The day before yesterday, the United Kingdom and then all our partners proved us right. An exchange of letters annexed to the future Treaty of Accession will set down the results of these negotiations which had to be conducted discreetly and brought to a rapid conclusion. A twin commitment to stabilization and gradual reduction fully satisfies the request we made because of the inherent logic of the Community. We were therefore not wrong to raise this problem and to believe it possible to reach a clear and reasonable solution.

No doubt Britain hopes to play in this Europe which it only recently saved from despair a role which accords with its history and genius. But that

is precisely what we expect of it, and this is the third and best of our three good reasons.

Who in France could believe, let alone hope, that the barriers would never come down between France and the only country from which the appeal of 18 June could be sent out to it?

In his famous statement of 14 January 1963, General de Gaulle explained why events had not yet come to maturity and why they would mature one day.

"It is highly possible," he concluded fifteen days before the negotiations opened ten years ago were interrupted, "that the evolution of Great Britain and the development of world affairs will bring the British closer to Europe, however long this process may take. I personally believe this will happen, and that is why, in my opinion at all events, it does immense credit to the British Prime Minister and his Government that they have discerned this trend at so early a date and shown sufficient political courage to announce the fact and take the first steps to set their country on the course which will one day moor it firmly to the continent."

Turning now to the third question, I am bound to note that the Community is being consolidated too slowly and hesitantly.

In discovering and recognizing areas of agreement the meeting of 9 February seems to have been marked by historic progress to which Mr. Giscard d'Estaing made an essential contribution. We did not take one decision, we took three. The first was to set in motion the process leading to economic and monetary union, at the same time affirming our political will to bring it to completion within a period of ten years. The second was to define figures for the economic objectives to be achieved by the Member States in the next few years, remembering that there must be no conflict between the different objectives. The third was to prepare arrangements for medium-term financial support which would supplement the short-term support machinery already approved; in real terms this means that within the limits of a ceiling fixed at \$2,000m the Member States undertake to open five-year credits to those among them that encounter balance of payments difficulties.

Hardly had we decided to coordinate intervention by the central banks on the exchange markets to reduce margins of fluctuation between our currencies than the monetary cohesion of the Communities was dangerously

shaken by an event which Mr. Giscard d'Estaing has already explained to you at great length.

Although the economic and monetary union was severely shaken, everyone will realize that France was in no way to blame. If the truth be told, the basic cause of these difficulties lies outside Europe - I repeat, outside Europe. But we are nevertheless entitled to regret that the reaction of the Europeans has not been guided by a little more Community spirit.

While it justifies the caution and pragmatism for which we have sometimes been rather too hastily criticized, this unfortunate episode does not discourage our resolve to ensure the independence of the European economy through a monetary union.

But already more is at stake than the economy alone. As I said to you a year ago, "because it is irreversible, economic Europe is already a political Europe."

I would now add that events have shown my statement to be correct, not only because of our initial experience with the regular coordination of our foreign policy - in which we have made no attempt to sidestep urgent and difficult problems - but above all because of the warm welcome given to the President of the Republic's statement of 21 January proposing an ambitious, reasonable and clearly-thought-out future for Europe. No other method or policy has been officially proposed to replace the basic idea of a "confederation of States resolved to harmonize their policies and integrate their economies."

The originator of any alternative proposals would have been bound to incur accusations, this time justified, of placing a genuine veto on the British application.

Mr. Heath, who has not been contradicted on this point in the House of Commons, has explicitly linked the United Kingdom's membership with the maintenance of confederal rules and prospects; in other words the French doctrine, because it has its own inherent logic which is stronger than artificial quarrels, is the only one to offer the Community the means of enlarging both its membership and the area of its activities.'

Referring to relations between the European Community and the United States, Mr. Maurice Schumann said that 'if the United States had any

underlying intention of maintaining their de facto hegemony in the areas where they still exercise it, and of extending that hegemony to the enlarged Community, the incipient malaise would surely become worse. But it is not the guiding idea behind American policy on the contrary to invite Europe, of which America is and will remain a firm ally, to count more and more upon itself?

This legitimate demand which accords with our forecasts and intentions, does not apply solely to the vital area of defence. Europeans themselves must be responsible for the destiny of Europe in every sphere.

A genuine Community organization with no gaps or exemptions is the economic expression of this will. Anything which might tend to water the Community down into a free trade area would ruin its spirit before destroying its machinery.

Such is the significance of the choice which Britain is now making. I would go further: such is the significance, I am convinced, of the choice which Britain has made and which the United States must understand if they are to be logical with themselves. Of course not all the consequences have yet been accepted. It is vital to define them clearly and never lose sight of them whatever difficulties may be encountered.'

Opening the debate Mr. De Broglie (Independent Republican), the Chairman of the Foreign Affairs Committee, welcomed Britain's entry into the European Community: 'The enlarged Europe which is now beginning to take shape seems to have recognized from the outset that it needs new ultimate objectives on the scale of its own future.

Its first objective is of course to become an economic and monetary union and to complete its own construction by becoming a single market backed by a common monetary system and harmonized legislation.

Its second objective must be to gradually become a political entity, first by strengthening its decision-making procedures, then by progressively laying down an inter-State organization, and finally by developing a common attitude to the outside world.

In a way these are new internal objectives. It is not self-evident that they will be achieved and we hope that the difficult monetary situation will not cause the Foreign Minister to turn his back on what he himself has called the deepening of the Common Market, a task which is no longer solely

economic but already has a political colouring.

We shall have to avoid certain deviations to which he himself has drawn attention. We must not turn the Community into a kind of OECD, and we must avoid the other mistake of yielding to the temptation of creating a Franco-British Europe. We are building a Community, but we must not forget that the Franco-German Alliance is the heart and soul of that Community.

And should we not stress once again the importance, which we believe to be vital, of the agreement concluded between Chancellor Adenauer and General de Gaulle? Should we not also stress the significance of this reversal of history and the efforts we are making to develop not only cooperation but also political understanding with the Federal Republic? Without this contribution and without Germany, the whole programme of European unification would be untrue to its own original objectives.'

Mr. d'Ornano (Independent Republican) thought that enlargement and the monetary crisis would raise the problem of a 'second generation' European Community.

'Now that the foundations are being laid for a Europe of the Ten we must strengthen the existing institutions if we want that Europe to continue to progress.

We for our part view the strengthening of the institutions from three angles: from the angle of the executive, i. e. the Council of Ministers, from that of supervision, i. e. the European Parliament, and from that of the proposing and implementing body, i. e. the Commission.

As far as the executive is concerned, in the press conference to which the Foreign Minister has referred, the President of the Republic indicated the path which should be followed: the nations should appoint ministers of European affairs who, endowed with the necessary powers, would prove that we are really working together.

As for the Parliament, we must not of course forget that it has to supervise an executive and a budget; therefore the strengthening of Parliament and its more equitable distribution should probably wait until there is effectively a budget to supervise and a genuine executive. But it is not too early to begin to think about the problems and prepare the ground for their solution.

Finally, as regards the Commission, we shall probably need to create an organization which will make greater use in future of the special qualifications of its members. That is why the Independent Republicans have proposed that one member should be made responsible for appointing the Commission; he would himself introduce the other members to the Council of Ministers and European Parliament, so as to ensure that each sector will be headed by a specialist in the Commission.

With a Europe of Ten we shall certainly find it necessary in future to stipulate how votes will be taken, no doubt by a majority to approve Commission proposals and unanimously when the Council wishes to depart from those proposals.'

Mr. Sudreau (Progress and Modern Democracy) believed that 'the development of Europe and its future are at present largely coloured by the monetary crisis. The disagreement between the Six in Brussels on 9 May - which was certainly a definite split - may degenerate into a serious crisis for Europe, for the world, and for France.

In the first place for Europe.

After years of efforts to create a common economic policy and after many vigorous declarations on European cooperation, after the conference at The Hague, and after agreeing last February on the first phase of a plan for monetary cooperation, the Governments of the Six have adopted - as the Foreign Minister pointed out only a short while ago - divergent attitudes on this crisis as a function of their own interests, and they have relegated the interest of the Community to the background.

Under these conditions how can we continue to take seriously the will of members of the European Economic Community to harmonize their economic policy in order to create an indissoluble economic entity?

How can any financial discipline be imposed on the applicant countries, and in particular on Britain, in the name of this objective? How can we avoid the important Luxembourg agreement being undermined in turn?

It must be clearly stated, whatever the consequences, that the divergent attitudes of the six countries to the monetary crisis are essentially due to their differing economic development. Harmonization of the economies of Europe is not something which will come about tomorrow and our compatri-

ots who live in the frontier regions realized this fact a long time ago.

With Europe and beyond Europe we must put an end to monetary anarchy which leads to all kinds of adventures. It is therefore the responsibility of France, with its partners, to take the initiative in calling an international monetary conference, first at European and then at world level.'

Mr. Habib-Deloncle (Union of Democrats for the Republic) thought it was necessary 'to eliminate an obvious contradiction, the contradiction which consists in showing on the one hand a perfectly legitimate attachment to national independence, whose legal expression is sovereignty, and on the other hand a no less legitimate attachment to European cooperation as reflected in the Community.

It has been suggested that this contradiction is irreversible. My reply is that the European Community does not destroy its Member States' identity.

As the construction of Europe progresses, the distinction between two terms which recently appeared synonymous to us, i. e. supranationality and community, is becoming increasingly clear.

For example, we wanted - and this was one of the criteria of our policy - the Community to be enlarged without any dilution of its substance.

Britain sincerely agreed to join a genuine Community, as a component of a European Europe. That sincerity was demonstrated to the President of the Republic during his discussions with the British Prime Minister. We, that is several colleagues and myself, were also recently convinced of British sincerity when we met our colleagues from the British Parliament.

Some welcomed this agreement because they felt that once Britain and three other States joined the Common Market, the basic principles of the Community would be weakened and might even disappear altogether.

But the international monetary crisis once again makes the choice before us perfectly clear: either to face the pressure of the dollar in isolation comforted by the absolutely clear conscience of the Americans, as confirmed yet again by the US Secretary of State at the recent OECD meeting, or to move forward towards economic and monetary union and accept the inevitable sacrifices.

But recent events show perfectly well that in this sphere nothing can replace coordinated action by a group of States. No mechanism of coercion can compel a Member State to take a decision it does not like. The process of European unification must be based on the will of States, reflecting the will of the people.

There is only one method of making the transition from the Community to a confederation and that is prior agreement between countries without which no institutional machinery can be created.

The illusion that there was another possible solution for a long time paralysed political and economic progress in Europe. It made us lose a great deal of time. In addition for some people supranational verbiage replaced a European spirit and helped to hide a deep attachment to the most sordid kind of national egoism. I am not speaking of the French but more often than not on the contrary of our partners who are only too keen to give us lessons on how to be good Europeans.

Today we have reached the moment of truth and France has a vital role to play.

The discussions between Mr. Heath and President Pompidou showed, or at least I believe they did, the existence in Britain of the political will to join a European Europe, provided that Member States retain their own sovereignty.

The discussions which are due to be held shortly between Mr. Brandt and President Pompidou will show whether the Federal Republic of Germany intends to opt for close economic ties with the United States, the Mark being at one and the same time the opponent and supporter of the dollar, or whether it will return to the concept of a Community in which each State and each national Government will democratically assume responsibility to its public opinion for decisions taken jointly.

When it comes to vital economic interests or basic directions of international policy, no State can be compelled to follow against its own will a path which it considers inappropriate. But once the commitment has been made to move forward only by joint agreement on these vital and fundamental issues, a common will must be created out of the concordance of national wills and the institutional machinery to express these wills will follow naturally.'

Referring to the monetary crisis Mr. Mitterand (non-attached) said that there was 'a fundamental incompatibility between a common agricultural policy based on a single dollar price for agricultural products and floating exchange rates. And if the present crisis has highlighted this incompatibility we must also wonder, with Raymond Aron of "Le Figaro", whether there is any point in trying to reduce the fluctuation band-widths of the currencies of the Six as long as the Common Market forms part of a monetary system which is made vulnerable at every moment by the abundance of dollars and Euro-dollars.

In short the Governments of the Six had agreed to reduce this margin of fluctuation. But in deciding to float the Mark, the Government of the Federal Republic of Germany adopted a policy which goes against all the proclaimed objectives.

Such is the fate of this Europe, of this part of Europe in which we live. It is always relegated to second place behind the immediate preoccupations of its Member States. How easy it is to complain of the lack of a common policy; but there are no signs of any such policy being established.' Concluding his speech, he added: 'Everything which will help to make our Europe an independent Community, to strengthen its powers and endow it with unity while founding it on democratic structures far removed from the trans-national power of monopolies, and finally to give it a vital role in world affairs, will be highly desirable.

I find it difficult to understand what the President of the Republic means by a "confederal Europe", or rather I do not see how a confederation can be anything more than one stage, and I am confident in the developments of the future.'

According to Mr. Jacques Vendroux (non-attached) 'The time seems to have come to dissipate all ambiguity regarding the continuity of French foreign policy, at least as far as European unification is concerned.

It would not be reasonable to claim that we are following the political line traced out in this area by General de Gaulle. Why then does the Government refuse to admit that this line has changed, even though every French and foreign commentator is stressing the fact? Why does it not admit that it has chosen a different programme? It would be its right and even its duty to do so if it thinks it is on the correct path. I do not understand why the Government, with the support of a very large parliamentary majority, is not sufficiently sure of itself to conduct its policies in accordance with its own ideas and to give those policies a personal label.

Let the Government therefore assume, once and for all, the responsibilities which devolve upon it, without feeling itself obliged to refer to the past, although we believe that the future should at least preserve an intact image of past events.

This being said, it is normal for all who remain faithful to a certain policy line to regret certain changes in direction. Certainly we recognize that up to now - I am still speaking of European policy - some barriers have stood in the way of any major deviations, for example, as regards the fundamental rule of unanimity which we would like to be firmly maintained.

But we are disturbed to see many attacks on the principle of the integrity of national sovereignty which certain forces are patiently and obstinately trying to undermine.

Events have moved faster than the law and the Governments seem to have been dismayed on several occasions by Community decisions.

There is a risk that their authority may be slowly but surely eroded and taken over by other bodies, in particular the Commission whose aspiration is to be all-powerful.

At a time when the Commission of the European Communities is already referring to itself as the European Commission - this is the name it almost always adopts now and the contraction is in itself significant - and constantly claims that it must play an increasingly decisive role, at a time when Chancellor Brandt has stated to an attentive Monnet Committee that his objective is a "reasonably organized European Government capable of taking the necessary decisions in the sphere of common policy and whose activities would be subject to parliamentary supervision," we are disturbed to see the extent to which the idea of supranationality has gained ground again in recent months.'

(Journal Officiel, Débats parlementaires, Assemblée nationale, 10 Juin 1971)

4. Talks between Mr. Georges Pompidou and Mr. Edward Heath

During his stay in Paris on 20 and 21 May 1971, Mr. Edward Heath was received by Mr. George Pompidou, the French President and by Mr. Chaban-Delmas, Prime Minister.

The press communiqué issued at the close of these talks spoke of a wide measure of agreement between Mr. Pompidou and Mr. Heath on Europe's role in relation to the prospect of an enlargement of the Community.

'In particular they expressed their determination to help promote increased European cooperation and specifically European policies, firstly in the economic sphere and, as time goes by, in other fields, by enlarging and consolidating the Community.

As regards the operation and development of the Community, the talks revealed a complete identity of views.

Mr. Pompidou and Mr. Heath discussed all the economic, financial and monetary problems liable to arise as a result of the enlargement of the Community. They also discussed the progress of the European Economic Community towards economic and monetary union and its implications for existing monetary relations. Mr. Heath repeated that the United Kingdom was ready to play its full part, in a European spirit, in this development. The talks clarified a number of points and would provide a solid basis for the future.

Mr. Pompidou and Mr. Heath welcomed the recent agreements reached in the agricultural and industrial fields at the conference held on 11 and 12 May between the European Economic Community and the United Kingdom on the latter's accession, and particularly in the agricultural section, on the problem of Community preference.

Mr. Pompidou and Mr. Heath consider it is both desirable and possible to reach an early agreement on the main subjects under negotiation which are being dealt with by the accession conference, particularly the problems concerning New Zealand and Britain's contribution to financing Community expenditure.

Mr. Pompidou and Mr. Heath expressed a common desire to settle the problems that would arise when the Yaoundé Convention was renewed, in a positive spirit and with a respect for established rights. It would also be desirable to bear in mind the need to safeguard the interests of countries which were, or might become, signatories to this convention, and which were largely dependent on the markets of an enlarged Community for their exports of sugar and other primary products.'

In the statement made to the press, Mr. Georges Pompidou stressed that 'the aim of these talks was not and could not be to resolve all these questions under discussion in Brussels. Since the beginning of the negotiations on British membership as on the membership of the other applicant States, France's view has always been that it was the Community which was negotiating and that as a result the Community had to reach agreement first of all on the proposals that it was making to the British negotiators.

This is why we did not settle these problems which we were not qualified to settle.

You would not believe me if I told you that we have not discussed them. We discuss them, comparing our views and above all trying to understand the deep-seated economic or political reasons motivating each of the two Governments in coming to its position.

All that I can tell you is that it would be unreasonable at present to believe that an agreement will not be reached between the United Kingdom and the Community during the negotiations in June and that in any case the spirit of our conversations today and yesterday leads me to believe that these negotiations will come to a successful conclusion.

But the main feature of our talks was our general view of Europe, its organization, operation and its prospects - all of this within the framework of the whole range of major problems arising in the world between European countries and others and within these European countries themselves.

We saw that our viewpoints were similar and even identical on a certain number of major issues.

With regard to other problems, we realized that the points of difference and disagreement between us were no obstacle to cooperation because we were of the same mind on the aim to be attained.'

Speaking of the freedom and frankness that had prevailed during the talks Mr. Georges Pompidou added: 'This is the confidence that two peoples must have in each other and in their present and future partners in the Community if they are to build a Europe of nations that wish to preserve their identity but are also determined to work together to achieve real unity, economically to begin with and gradually in all the other fields, including of course the political field.

There are many people who believe that the United Kingdom is not and does not want to become European, and that it wishes to enter the Community only in order to destroy it or to divert it from its objectives. There are also many people who believe that France is ready to seize any pretext to place a fresh veto on Britain's entry into the Community.

Well, ladies and gentlemen, you are today faced with men who are convinced that the opposite is true.'

In a statement to the press Mr. Heath said that he was equally satisfied regarding the outcome of the talks. 'I believe that we have now come to a very clear understanding of our respective views and are fully familiar with the questions arising for both of us.

I have no doubt that all the discussions we have had will yield real and lasting benefits, not only for the United Kingdom and France but for Europe as a whole.

Our discussions show that we agree that it is not only desirable but also possible for our negotiators in Brussels to find acceptable solutions to the problems still outstanding and for them to do so in June. The way has now been cleared for them to do this.

I have long felt that Europe must progress together in unity and that the United Kingdom must be part of this greater entity. I believe that only in this way can we ensure complete peace for our continent and put an end for ever to the conflicts which have brought so much suffering to our countries in the past.

Secondly I believe that in this way we can promote the prosperity of our peoples and take full advantage of the great economic opportunities that are opening up for us. Lastly I believe that it is only by working together that we shall be able to play a complete and credible part in our relations with

the world at large.'

In their talks - said Mr. Heath - they had both been very much aware of the responsibilities that France and the United Kingdom had each inherited in the world and which they intended to continue to discharge.'

(Le Monde, 23-24 May 1971)

5. Visit by the French President to Belgium

During President Pompidou's official visit to Belgium from 24 to 26 May 1971, interest centred on European problems.

(a) The official visit

At a gala dinner held in the Palais Royal in Brussels, King Baudouin made the following observations, addressing Mr. Pompidou: 'I wish to pay tribute here to the will which has so often been expressed by you, Mr. President, and your Government to complete the political process (of European integration).

Major steps have already been taken. The spirit of the summit meeting at The Hague in December 1969 enabled progress to be resumed again. We therefore have good reason to hope that the tasks leading up to the great political options can be completed by us with a sense of common purpose. The principle of economic and monetary union has already been agreed upon: negotiations on enlargement are continuing. These two undertakings are not, however, without difficulties and problems which do not lessen our joint will to succeed. We hope that irreversible decisions will be taken before the end of the French term of Presidency in the Council of Ministers. We know that the future of Europe is at stake in this great undertaking. There are some historical opportunities which we cannot afford to miss. In the West this means that we cannot lose this chance to strengthen our place in the world and make our voice heard. Our action will not be governed by any desire for hegemony: our ambition must be different, namely to give the world the benefit of our long civilization and serve as an example in establishing a society in which the innermost aspirations of every individual can be met and assets of all kinds shared equitably.'

In his reply, the French President also referred to European problems: 'There is one vital task which is of more direct concern to our two Governments: I refer to the building of Europe on which we and our partners have been engaged for over 20 years and more particularly since the signature of the Rome Treaty. For me this is an opportunity of paying tribute to your country's part in this vast undertaking and to the important role which some of its statesmen have repeatedly played in helping to reconcile points of view and enabling certain obstacles which have arisen to be overcome and progress made. We were recently able to appreciate this role when we took the first step towards economic and monetary union.

At this very moment the Community is engaged on important negotiations with several applicant countries, including Britain. It would not be right for me to indulge in forecasts or suppositions during this Franco-Belgian evening, even if my recent meeting with the British Prime Minister strengthens my natural inclination to be optimistic. The French point of view is very simple: France is ready to welcome its British friends and neighbours into an economic community which will be a genuine community and into a Europe which will be genuinely European. In this way true meaning can be given to an unparalleled undertaking through which independent States have chosen to move towards unity without sacrificing their diversity, in order to give our continent a role corresponding to its economic, intellectual and human possibilities. Our friendship, trust and sense of common purpose are in our opinion the best guarantee that this great hope will be fulfilled.'

(b) Interviews in the press

During his visit, President Pompidou gave a press conference and also made a statement to a leading Belgian daily.

On the question of languages, the President stated: 'If Britain joins the Community, which is probable and desirable, and if Norway, Denmark and Ireland which all have English and not French as their second language also join, the English language will inevitably make a breakthrough in this Community. I hope quite simply that those Europeans who speak French will resist this trend by using their own language, so that French retains a place side by side with English as a working language.'

In answer to a question on the seat of the Community the President made the following reply: 'I assure you that I did not ask Mr. Heath to transfer the Community's seat to Paris as a condition for British entry to the Community. That would have been a grave act of ill faith towards the Belgian Government. Legally Brussels is only the provisional seat of the Community

but you know that in politics provisional arrangements may last a very long time.'

President Pompidou rejected the suggestion of American 'isolationism' on defence policy. There were no real signs of American 'isolationism'. Then again the problem of common European defence was the most difficult and would therefore have to wait longest for a solution. 'This is not a problem to be considered at present because:

- the defence of Europe still depends essentially on American nuclear power;
- Britain has special links with the United States in this sphere which it cannot abandon. France has a greater margin of freedom but cannot on its own ensure the defence of Europe.

In short, Europe cannot at present take charge of its own defence.'

While the President did not consider defence an immediate problem, he was disturbed by the future of the monetary union. 'The decisions recently taken in Brussels have failed to camouflage a situation which is very much against the interests of the Community, even if one can understand the difficulties of the Germans. I hope that these problems will be solved between the Six as soon as possible (without venturing to hope for final decisions by 1 July) so that our progress towards monetary union can continue; of course this major problem cannot be settled without a solution to the dollar question. We do not want a war on the dollar: that would be a disaster for the whole of the West. But it is not possible to retain as a monetary standard a currency which is constantly losing its value because of domestic difficulties in the United States. This problem cannot be solved immediately, but Europe should at least begin to consider where its common interests lie.'

Finally the President explained what he meant by a confederation of States: 'The term confederation has a precise meaning: it means that we should create a confederation of States. These States will only hand over rights to Community institutions voluntarily and as a function of developments, i. e. progress made in the Community. The wealth of different national characteristics must be maintained within this Community. We do not propose to bully anybody, let alone the smaller countries. Finally we must avoid provoking violent encounters through impulsive action which may even create a risk of the Community breaking up. After all the United States of America, whose Member States had practically no history and which did not seem to differ very much to begin with, still experienced a war of secession almost a hundred years after its creation. The European undertaking has no precedent in world history. It holds out a promising future for our peoples. Above

all we must not jeopardize that future through hasty actions or abstract thinking.'

(Le Soir, 19-20 and 21-25, 26 and 27 May)

6. Mr. Georges Pompidou, President of the Republic, in a radio and television interview

In a radio and television interview on 24 June 1971, Mr. Georges Pompidou, President of the French Republic, discussed European policy and more particularly the conditions governing the enlargement of the European Community.

Comparing Western Europe with North America and the Soviet bloc he stated: 'Just think of it, how fragile, how small, this threatened peninsula of Europe is and yet it has more than 300 million inhabitants and contains all the countries which have made the history of mankind for five centuries. It can draw on reserves of skill unrivalled in the world, and possesses an economic power greater than that of the whole Soviet world and not far from equalling that of North America.

Well, there are two alternatives: either we give up trying to count for something in the face of these immense powers or else we try to bring these nations of Western Europe together and pool all their potential.

This is the task we have taken on and the task I have taken on.

When I arrived on the scene Europe was at a dead-end. Our partners of the Europe of the Six would no longer put up with Britain's staying outside. Britain would no longer put up with this Europe of the Six which put it in mind of the Napoleonic empire and the continental blockade. General de Gaulle, what is more, had been aware of this for a long time. As long ago as 1958 he said to me:

"What bothers me about the Common Market is that it will put us on bad terms with Britain." And as you know, in the last months of his presidency, in 1968 or 1969, he made an approach to the United Kingdom which was

unsuccessful through the fault of the British Government of that time.

At the same time I realized that our partners no longer wished to go forward and that there was very little chance in particular of going on with the common agricultural market and setting it up in its final form. This is why, at the summit meeting at The Hague, I put the matter squarely before them. I succeeded in getting the common agricultural market made final in return for opening up negotiations with the United Kingdom.

And so, because I do not think external policy should be based on lies or hypocrisy, I felt that once the negotiations began we had to be fair and consequently, not try to lay traps or find roundabout ways of blocking Britain's path, but that what we had to do was be frank in asking questions. And this is what happened at what was obviously the most important moment, i. e. when I had my long conversations with the British Prime Minister.

I then put my questions as clearly as possible. I began by saying: Are you ready to accept Community preference, which is the basis of the common agricultural market and according to which we obtain our supplies firstly from within the Community? And the British Prime Minister confirmed as clearly as possible what had already been publicly stated by the British representatives in Brussels.

The second question was on the operation of the institutions and the unanimity rule - about which, as you know, France feels strongly - which means that when a country considers that a capital issue is at stake, no one has the right to impose upon that country the will of the majority and that we have to arrive at unanimous agreement. The British Government replied "yes" and has moreover confirmed this publicly.

The third question was the monetary one. At present the pound has the special status of a "reserve currency". It would be too complicated to explain this here but this means that it confers certain privileges. Obviously in the Community everyone must be on the same footing and so Britain's currency must be a currency like the others. The British Prime Minister gave me an assurance that that was his view of things and that gradually - for there is no question of creating a monetary crisis in the sterling area - the pound would become a currency like the others and would therefore be involved in what we are trying to create: a European monetary union.

The fourth question was probably the most important. I asked the British Prime Minister what he thought about Europe, that is, whether the

United Kingdom had really decided to become European and whether this island had decided to moor to the Continent and was ready therefore to disengage itself from the Atlantic area to which its face has always been turned. I can tell you that the explanations Mr. Heath gave me and the opinions he expressed tallied with France's view of the future of Europe and, moreover, with what Mr. Heath has been saying publicly for more than 20 years.

Of course we are under no illusion: the Europe of the Nine or of the Ten will certainly be more difficult to operate than that of the Six and we shall have crises... We have already had them even with the Six...

... It will be different in its component parts and will develop in a way that will raise problems with the East where we shall have to be quite firm about the closeness of our relations and our cooperation (without which, if you look at the map, we shall be crushed) with the Americans who are our friends and allies but, if you look at the map again, not Europeans. All this will involve a lot more effort especially since there will be the British traditions, administrative habits, ways of thinking and special commitments in certain fields such as that of defence. But we should be able to build Europe if that is what we want.

France will have a duty and that is to be vigilant, and it will be, believe me. Because of its geographic position it enjoys the advantage of being in the centre of things and, therefore, indispensable.

Apart from these two reservations, however, I am very hopeful. I have confidence in the United Kingdom of Mr. Heath and I am convinced that, not only with him but with all the others including Germany - I say Germany because the Franco-German reconciliation has after all been one of the important factors in the post-war period and in the formation of Europe - all together we can do something great and we can restore Europe to its rightful place in the world.

We must believe in this and we must prepare for it with our eyes open.'

(Le Monde, 26 June 1971)

Germany

1. Visit by the Italian Prime Minister, Mr. Colombo, to Bonn

The Italian Prime Minister, Mr. Emilio Colombo, paid an official visit to the Federal Republic of Germany from 1 to 3 April 1971. Discussions centred on European problems, i. e. the institutional development of the Community and the negotiations on Britain's accession.

Mr. Colombo stated to the 'Handelsblatt' that he would, if necessary, advocate a new European summit conference to overcome any crisis which might arise in the negotiations on Britain's entry. Mr. Colombo made this statement in Rome on 1 April shortly before leaving for Bonn.

'German and Italian interests coincide closely on European policy and in efforts to secure peace.' this assurance was given by Chancellor Brandt when he welcomed the Italian President before their first private discussions.

'Our meeting', said Mr. Brandt, is being held at a time of important developments. We have made decisive progress in recent months in putting into effect the decisions reached at the Hague summit conference. Italy and Germany could do a great deal to make further progress in Europe possible.'

Mr. Colombo considered his visit to be a symbol of firm friendship, cooperation and consultation at all levels between Italy and the Federal Republic. 'Progress towards a united Europe is now entering a difficult but decisive phase.' The efforts of the Atlantic Alliance to consolidate peace and security must be pursued no matter what difficulties might be encountered. The Federal Republic and Italy supported the initiative for the political unification of Europe taken this year by France. At the end of their two-day discussions, Chancellor Brandt and Mr. Colombo suggested that the Berlin problem should be taken as a test case to determine whether a security conference for the whole of Europe was desirable.

Referring to the final talks between the two Heads of State, the Government spokesman, Mr. Ahlers, stated to the press that the suggestions made by the French President, Mr. Georges Pompidou, for the development of European unification had been considered in detail. Both parties had welcomed the French initiative but stressed that much more detailed discussion was necessary.

At a dinner given in honour of his Italian guest, the Federal Chancellor made a speech from which the following extracts are taken:

'The Federal Government believes that the decade between 1970 and 1980 for which we set our course at the Hague summit conference will be decisive. We assume that the economic and monetary union will be more or less completed and that the system of independent resources for the Community linked with growing budgetary powers for the European Parliament will enter into force by 1980. We also consider that the enlargement of the Community, together with the necessary transitional periods and special arrangements required for other countries, will be concluded.

In addition we anticipate that in these years the foundations will be laid for a partnership between the Community and the United States. We also believe that important steps will be taken towards closer communication and cooperation between the Community and the East European countries.

Finally political cooperation must be developed further to the stage of a common approach to world political problems. If these tasks are completed by the early 1980s, we shall then be able to begin work on unifying the various European activities.

In the negotiations on the enlargement of the Community, we hope that the obstacles still standing in the way of unification will soon be overcome. Here too our political opinions do not differ. The aims we have set ourselves in the sphere of European unification require Great Britain's full participation. If the necessary solutions are found in the interests of all participants, few problems will be left for the other States which wish to join the Community. It will of course still remain for us to find a solution for those countries which need a special relationship with the Community.'

Replying, Mr. Colombo said: 'We have started work on programmes which will continue the far-sighted task embarked upon in the Rome Treaties by adding an economic and monetary union to the existing customs union. We must try to make sure that the strengthening of our Community goes hand in hand with the strengthening of its democratic and political structures. We must also make sure that this twofold process is not inward-looking but on the contrary facilitates growth resulting from the accession of Britain and the other applicant States.'

Europe is already a reality in every sphere of activity and must grow from strength to strength. It must therefore maintain and develop exis-

ting relations with the United States, the Eastern bloc countries and the Third World. In particular the alliance with the United States is a prerequisite for European defence and security, i. e. genuine freedom and democracy.

The Atlantic alliance is a vital factor in maintaining peace and actively contributes to the process of understanding between East and West. We shall try to foster that understanding without being discouraged in any way by the difficulties we encounter. The Federal Government's Ostpolitik, which you have done so much to foster, can therefore only meet with the complete sympathy and support of Italy which is patiently working towards détente and cooperation on the basis of the highest possible mutual respect between the parties concerned.'

(Bulletin des Presse- und Informationsamtes der Bundesregierung No. 53, 6 April 1971;
Handelsblatt, 2-3 April 1971;
Frankfurter Allgemeine Zeitung, 3 April 1971;
Die Welt, 3-5 April 1971;
Luxemburger Wort, 5 April 1971;
Relazioni Internazionali, No. 15, 10 April 1971)

2. The Federal Chancellor is interviewed about European policy

In an interview he gave on the West German television programme 'Die Woche in Bonn' (The week in Bonn) on 3 April 1971 Federal Chancellor Brandt said with reference to the enlargement of the EEC: '...I feel that we should not exaggerate the technical difficulties under discussion in Brussels. My recent discussions with the French President convinced me that there has been no change there in what we discussed in January and that several of the points on which an inflexible attitude was adopted will be approached there in a constructive way. That is the impression that I have.

You may ask: What can we do? At all events we must not try to do anything spectacular but must realize that if we are to achieve any results there must be a common attitude on the part of the six present partners of the EEC which is at the same time acceptable to the United Kingdom. We can achieve nothing by applying pressure. We can achieve nothing by acting on our own and saying: we are going to take matters into our own hands. That is no good. We must always be ready to help. But, as I say, the decisive point is that we must arrive at a common ground between the Six and, furthermore, with the Commission. I suggest that this will be done if the negotia-

tions are resumed in earnest in May. It has already been foreseen that the Council of Ministers will then discuss the whole matter thoroughly for a number of days...'

Asked whether he thought a West European summit conference would be necessary after the enlargement of the EEC, Mr. Brandt replied: 'I don't want to rule that out but I would not like, at this stage, to give the impression that I am announcing such a summit conference. Many people are inclined to expect more from conferences than ought to be expected from them. It is the amount of careful preliminary work carried out that really counts. But I in no way reject the basic idea underlying your question. There is much to be said for the view that once the Community has taken the basic decisions on enlargement, the responsible Heads of State or Government should come together to discuss not only EEC questions in the narrow sense but also how the political weight of an expanding Europe could be used to greater advantage.'

In a broadcast interview on 5 April Mr. Brandt said that he had had a 'direct discussion' with President Pompidou on the EEC accession negotiations. This showed that France had not changed its positive attitude to the enlargement of the Community and was cooperating 'constructively'. Mr. Ahlers, the Government spokesman, did not inform the press of the contents of the letter from President Pompidou to Federal Chancellor Brandt but he said that this gave details of the French attitude to the enlargement of the Community.

(Bulletin des Presse- und Informationsamtes der Bundesregierung No. 53,
6 April 1971;
Luxemburger Wort, 5 April 1971)

3. Visit by the British Prime Minister to Bonn

Mr. Edward Heath, the British Prime Minister, paid an official visit to the Federal Republic of Germany on 4 to 6 April 1971.

In Bonn his discussions with Chancellor Brandt centred on the problem of Britain's accession to the EEC. The two leaders were in broad agreement on Ostpolitik, the Berlin problem, East-West relations, problems of the Nato defence alliance and the need for close partnership between Europe and America.

After the first intensive discussions between Mr. Brandt and Mr. Heath, the Government spokesman, Mr. Ahlers, said that both statesmen considered it desirable and reasonable to have a final decision on Britain's accession to the EEC by the summer. Accession must not be considered solely as a technical problem but would also have major political implications. Both Mr. Brandt and Mr. Heath had said it would be fatal for the negotiations on entry to fail again.

Mr. Heath repeated his warning against the dangers of failure of the negotiations on the enlargement of the European Economic Community. At a dinner given in his honour by Chancellor Willy Brandt, Mr. Heath said that the friends of Europe would be horrified by such a failure and its enemies would draw fresh courage from it. Soviet ambitions would then become even more unbridled and the friends of Europe would leave the continent to fend for itself. Either Europe would unite and draw great benefit from its unity or remain disunited which would have adverse effects on everyone concerned.

In this connection Mr. Heath warned against the assumption that conditions would be equally favourable for enlargement of the Community in one or two years' time. He also appealed to the EEC Member States to grant Britain fair conditions for entry. The cost must not be so high as to endanger his country's growth. During his speech the British Prime Minister assured Mr. Brandt of the 'fullest support' for his Ostpolitik.

Britain's accession to the EEC was also the central point of the Anglo-German discussions in which Foreign Minister Scheel and the Parliamentary Secretary of State in the Chancellor's Office, Mrs. Focke, as well as senior officials of the British Foreign Ministry took part. Caution was the keynote of the discussion on political cooperation which also covered Mr. Pompidou's proposal for a European Federation. The Government spokesman later stated that the two Heads of Government felt that there would one day be a European Government. For the immediate future, Mr. Heath and Mr. Brandt considered it necessary to strengthen the efforts of the European partners in Nato for common defence; this would do much to persuade the Americans to keep their troops in Europe, which both parties considered desirable.

The common interest of the two Governments in the conclusion of negotiations on Britain's entry to the EEC was stressed in the final meeting. Mr. Brandt emphasized that the political significance of the process of unification was very important in the present phase of the discussions. He drew attention to an idea which Mr. Heath himself broached in his detailed statement. Mr. Heath had clearly stated that Britain's future lay in Europe: 'We

wish to play our full part as Europeans in Europe. '

He had also repeated his readiness to accept all the rules and regulations of the Community on an equal footing with the other Member States. He called simply for conditions of entry which would create a fair possibility for Britain to adapt itself to the existing Community arrangements.

At the end of his three-day visit to the Federal Republic, the British Prime Minister gave a press conference in Bonn during which he stressed his country's desire to become a full member of the EEC. He thought that a Europe which moved forward with economic and industrial strength combined with common political objectives could confidently face the dangers and challenges of the future.

Europe would be a recognized partner and respected as a power of world importance. But if the Europeans missed their chance of enlarging the EEC, this would not only discredit the European idea in British public opinion but also encourage the Russians in their aim to achieve hegemony. Out of discouragement over the failure of the Europeans to reach agreement the Americans, on the other hand, would tend to leave Europe increasingly to its own fate. Moscow alone would be satisfied by failure of the negotiations on the entry of Britain, Denmark, Ireland and Norway to the EEC.

(Bulletin des Presse- und Informationsamtes der Bundesregierung No. 54,
7 April 1971;
Die Welt, 5, 6 and 7 April 1971;
Luxemburger Wort, 6 and 7 April 1971;
Frankfurter Allgemeine Zeitung, 6 and 7 April 1971;
Handelsblatt, 7 April 1971;
Neue Zürcher Zeitung, 8 April 1971)

4. Foreign Minister Scheel calls for a clear answer by the EEC on the question of Britain's accession

Foreign Minister Scheel urged the EEC Member States to give a clear answer to Britain by the end of May on outstanding problems concerning its accession to the EEC. In an interview published by the 'Frankfurter Rundschau' on 3 May 1971, Mr. Scheel stated: 'We all realize that the time for decisions has now come and that we must make decisive progress this summer which will enable the British Government, with the support of its public

opinion, to complete the negotiations by the end of this year.' 'Let us not delude ourselves;' he continued, 'the negotiations will be tough.'

Mr. Scheel believed that the EEC Ministers must give a clear answer to the British negotiator, Mr. Geoffrey Rippon, after their session on 10 May, on all the remaining problems of enlargement of the Community. Any hint of failure would be a more severe blow to the Community than the unsuccessful outcome of the negotiations with Britain in 1963.

President Pompidou's idea of a future European confederation, outlined in his press conference on 21 January, was acceptable to Mr. Scheel as a basis for discussion. He stressed the need for a transition to majority decisions in the EEC Council of Ministers and laid down three guiding principles:

- an institution which is not dependent on instructions given by national Governments must play a part in shaping Community decisions;
- the European Parliament's role must be strengthened to strike a balance between parliamentary control and the influence of individual countries;
- the well-tried institutional principles laid down in the Treaties must be maintained to enable the Community to fulfil the tasks awaiting it.

(Luxemburger Wort, 3 May 1971;
Frankfurter Rundschau, 3 May 1971)

5. Mr. von Hassel, President of the Bundestag, advocates the direct election of the German members of the European Parliament

Interviewed by 'Europa-Union' on 4 May 1971, Mr. von Hassel, President of the Bundestag, expressed the hope that the draft law drawn up by an inter-party group of the German Bundestag for the direct election of the German members of the European Parliament would have a 'positive effect on the other countries of the Community.'

He went on to say: 'The path to Europe that we have taken cannot and must not sidestep parliamentary responsibility and parliamentary and democratic control. It can only be completed with a strong European Parliament which is fully aware of its responsibility and its powers. It cannot leave the German Bundestag indifferent that as we progress towards European unification powers should be taken away from it that are not handed over to rep-

representatives of the people at the European level. Like the President of the European Parliament, I find it unreasonable that at the European level legally binding decisions affecting 183 million people should in some cases be taken without being subject to parliamentary control.

Any further transfer of sovereign rights to Brussels will only appear acceptable to the national Parliaments if the position of the European Parliament is strengthened. Direct European elections are an important prerequisite for this. I expressed this view during my official visit to the European Parliament in Strasbourg in May last year and found undivided agreement. I hope that my proposal to have this question discussed by the Presidents of the national Parliaments can be implemented soon.

The European attitude of the overwhelming majority of the members of the Bundestag is part of the history of this Parliament. Again and again, during Europe's crises members of all groups have taken the initiative in the interests of European integration. Today too, joint action by the coalition and the opposition is still possible despite their different views. A few weeks ago an inter-party group on direct elections was set up in the Bundestag to tackle uniform direct elections to the European Parliament.

Similarly a working party of the CDU/CSU Group in the Bundestag has since the end of last year been looking into the possibilities of and arrangements for the direct election of German representatives, and into the status of European representatives as members of the Bundestag. It is suggested that such direct elections could be coupled with elections to the Bundestag, to save additional costs. The European parliamentarians, who could be elected directly into the European Parliament with an additional third vote, would have a special status in the Bundestag - somewhat similar to Berlin's - so that majority relationships in the Bundestag would not be affected in the event of their absence. I think that such a procedure is perfectly feasible because it also ensures that the members working in Europe would not lose their links with their national parliaments. This should not happen at any price.

On the whole I am optimistic that direct elections, a subject that is already almost as old as the EEC, can now at last get onto the statute book in Italy, Belgium and the Netherlands where similar efforts are being made, even though the standpoints of the governments in particular are still different. The EEC Council of Ministers looked into this subject "much more closely" recently. Perhaps in the near future the Federal Republic will be able to take a decision on direct elections and thus render a valuable service as the pace-maker for Europe.'

(Europa-Union-Dienst No. 19, 4 May 1971;
Informationsdienst des Deutschen Rates der Europäischen Bewegung, No. 5,
28 May 1971)

6. Discussions in the Bundestag about the monetary crisis

Mr. Schiller, Minister for Economic Affairs, made a statement about the Government's monetary policy measures in the Bundestag on 11 May 1971. Both Mr. Schiller and the other speakers stressed the significance of these measures for the European Economic Community. Between spokesmen for the Government parties and the opposition there was no agreement regarding the effect of the German monetary decisions on European integration.

Mr. Schiller began by saying that the European economic and monetary union was threatened by a greater danger in the form of the inflationary development in the Member States than it was by the unilateral monetary policy decisions of the Federal Government. All countries had to have success in achieving a policy of stability 'before we begin the second stage of the economic and monetary union.'

If the stability aim were not attained then one would come to a dead end at the end of the first stage of the economic and monetary union. Until then it was the professed policy of the Community 'to go along separately for the time being if a common course could not be found and the vital interests of a country made it necessary.' It was still important to get back onto the same road again soon.

Mr. Schiller described the 9 May - the day when the rates of exchange were floated - as a day for stability and a day for Europe. At a special meeting of the Council of Ministers in Brussels, the German delegation had struggled for a Community solution consistent with the principle of the market economy. Some Member States had not however taken advantage of this chance to take a step forward in the direction of a European economic and monetary union. Such a union could only come into being as the basis of lasting integration 'if we all solve our internal problem of stability.' This would perhaps necessitate a reappraisal of international monetary relations.

Mr. Müller-Hermann (CDU/CSU), spokesman for the opposition, on the other hand, put forward the view that the European Economic Community was plunged in a serious crisis of confidence. After commitments had been

entered into about the creation of an economic and monetary union and the Federal Republic of Germany had committed itself to narrowing the bands of the rates of exchange, the Government was now confronted with the alternative of giving priority to the law on stability and growth or fulfilling its treaty commitments to its partner States. It was moreover doubtful whether stabilization would be successful; the real danger was that the agricultural market would be severely shaken.

The opposition thought it highly important, before deciding on external economic measures, to take into account European integration and the after-effects, and common solutions had to be found beforehand. The CDU did not want a 'dirigiste' Europe. Nor did it want European integration to be threatened through undue insistence on the orthodoxy of European integration.

Mr. Junghans (SPD) stressed that the monetary crisis did not start with the Deutschemark but with the dollar. The discussions in Brussels should also have brought it home to the people that the Federal Government could no longer act quite so independently in economic policy as it had done a few years earlier. On the path to the European economic and monetary union the Federal Republic had to dovetail its external economic policy decisions with those of its EEC partners. The SPD regretted that it had not been possible to agree with the other countries on joint action for stability. It was, however, glad that the Brussels decisions had given the Federal Government room to manoeuvre and to act alone and that other countries had also gone along with this. The Federal Republic had used this freedom to manoeuvre decisively in the context of the EEC. Mr. Junghans supported the Economic Minister regarding the further development of the European Community. Care had, however, to be taken that the EEC did not become an inflationary Community.

For the FDP group, Mr. Mertes was glad that the Federal Government had not introduced currency exchange controls. From the foreign policy standpoint what was essential was not to allow the floatation of currencies to become a real burden on the EEC. Hence the FDP group would support any effort that had the slightest chance of bringing the EEC partners to the point where they could progress together with a common monetary policy. The FDP group recognized the special position France and Italy were in. They attached all the more weight therefore to the fact that the EEC Council of Ministers had succeeded in finding a solution which also suited Germany's interests.

Speaking in the debate Chancellor Brandt stressed the Government's understanding for the position of the farmers following the floatation of the exchange rate. He hoped that the decisions of the Council of Ministers would

shield German agriculture from disturbances. At the same time the common agricultural market was still the main connecting link of European integration.

Chancellor Brandt rejected opposition criticism that the Government had threatened the development of the economic and monetary union. The Government had done everything - in particular by offering monetary assistance to win through to common action with its European partners. Even though this had not been possible, Germany was not isolated. They had been successful in Brussels in finding understanding for the exceptional measures in an exceptional situation. Until the development of the Community went further it was still possible not only for others but also for Germany to invoke vital interests. But there could be no doubt about the Government's serious determination to realize economic and monetary union.

This development would not be threatened by the Government's measures. The monetary crisis had on the contrary shown those involved how urgently necessary it was to take steps towards a common European economic and monetary policy. Of course the Government was still convinced that it was no help to Europe to give up the aim of a policy of stability. On the contrary efforts had to be made to achieve a European community of stability. If one wished to have a healthy Europe one needed to have a healthy European economy.

Chancellor Brandt went on: 'It is hard to see how monetary questions will affect the negotiations on the enlargement of the European Community. We hope that the present round of negotiations in Brussels will lead to further clarification on technical points. We made our contribution at the multilateral preparatory talks. I also hope that the forthcoming meeting between President Pompidou and Prime Minister Heath will be helpful. The Government and I believe the overwhelming majority of this House thinks that Western Europe needs Britain and that the time is ripe, and I mean this summer, for taking the necessary decisions. This is economically reasonable and politically necessary. Then we shall see that the European Community, after dealing with many difficulties, will become an area in which growth and a due measure of stability can be achieved.

But I remain of the opinion that it is consistent both with a sense of national responsibility and with European realism for us to do everything to keep our own house in order. The next step is therefore to achieve stability in Germany, which is also necessary for the stability of Western Europe. Hence we must now take the Deutschemark out of the international inflation convoy for the time being, in the interests of the stability of this country and in the long run for the benefit of Europe.'

Mr. Barzel, Chairman of the CDU/CSU group, regretted that the European Community did not possess all the powers it needed so it could resolve the crisis. In Europe it was only possible to progress on the basis of a community of political interests. This called for a stage-by-stage plan and a firm commitment to a date for the beginning of a political Community.

Mr. Apel (SPD) rejected the alternative put forward by Mr. Müller-Hermann that Germany could either achieve internal stability or promote the advancement of the Community. There was a public opinion trend against European integration at present because of the feeling that it was a Community of inflation that did more harm than good. The Federal Government had to make it clear that this was not the kind of Europe they were aiming at because this was not what people wanted. He thought the Brussels decision involved no nation having to surrender: 'I mean that as a result of these decisions, although it may seem paradoxical, we have driven in the first peg on the way to economic and monetary union. National independence is coming irrevocably to an end and so it is the more important that it should be made clear as a result of this step that it is now a matter of a common policy and doing more in this direction than we have done in the past. Because so far we have had the policy of Brussels conference crises which have always missed the mark as far as any real breakthrough is concerned. This discussion has made it quite clear that the technocratic masterpiece of Brussels is increasingly incapable of standing up to the burdens of reality, that economic policy is only one aspect of politics as a whole and that a common monetary policy must be coupled with political integration.'

When the debate was resumed, Mr. Strauss, former Finance Minister, took issue with the argument that inflation in Germany had been imported from the outside: 'So far one's impression has been - we wish here to pinpoint cause and effect clearly - that this is home-made inflation.' Mr. Schiller had also conceded this point himself in all honesty in Hanover.

'It is only to be expected - and here I am criticizing both the Federal Minister for Economic Affairs and yourself - that the other EEC partners, and especially France and Italy, do not work on the principle that salvation for Europe lies in adopting the German approach. The Government has today expressed regret that its partners did not endorse its own views. It would, of course, be a very simple European policy to bring about European agreement whenever the others sided with our views. This is a dangerous attitude, Mr. Apel. This could provoke a great deal of anti-German feeling. If we say we are making a breach in the Bretton Woods system - we must here start with a good example, so that an out-of-date system can at long last be shaken up and phased out - this is exactly the sort of tone that causes the greatest concern abroad and which can lead to consequences that none of us can want.'

Mr. Strauss agreed with Mr. Apel, of course, that the lack of a political superstructure stood in the way of a common cyclical policy: 'I agree that freeing rates of exchange by all the Six would make sense but only on condition that they pursued the same cyclical policy, which is asking too much as long as there is no central body to work out and carry through such a policy. Until then we shall have to manage with fixed rates of exchange. We cannot drag others along with us on a unilateral course, pleading that there have been others, but preventing a unified decision-taking process in the EEC by persisting in our present standpoint. That is indeed the problem, in which unfortunately everything turns round in a circle.'

(Deutscher Bundestag, 121st Session, 11 May 1971;
Bulletin des Presse- und Informationsamtes der Bundesregierung Nos. 71,
72 and 73, 12 and 13 May 1971)

7. Chancellor Brandt receives the German members of the European Parliament

On 12 May 1971 Chancellor Brandt gave a reception for the German members of the European Parliament at the Federal Chancellery.

Against the background of the gradual unification of Europe, he emphasized that the Federal Government attached great importance to the role of the European Parliament and was therefore particularly glad that after nine years a German should once again have been chosen as President of the Parliament.

On the current monetary difficulties in the EEC he said: 'The Federal Government took its decision in accordance with its commitments in agreement with its partners. The outcome of the consultations - on the 21st anniversary of the Schuman Declaration - is no sign - as some commentators have suggested - of the weakness of the Community. It shows, on the contrary, that this Community can also contend with difficult situations without this undermining its cohesion.

Economic and monetary union - this is my firm conviction - will not be delayed as a result of the measures taken to safeguard us against currency speculators or as a result of our efforts to achieve stability...

The events of the last few days are no cause for giving up; they should make us much more determined in our commitment to Europe.'

With regard to the enlargement of the European Community, Mr. Brandt said that this question had again been discussed in recent weeks - particularly in the many bilateral talks where the Federal Government had also been involved - and it would certainly go a long way towards being settled in the next few weeks.

(Informationsdienst des Deutschen Rates der Europäischen Bewegung, No. 6, 28 June 1971;
Bulletin des Presse- und Informationsamtes der Bundesregierung No. 74, 14 May 1971)

8. Mr. Franz Heubl (CSU), the Bavarian Minister of State for Federal Affairs, puts forward a four-point emergency programme for a European education policy

On 2 June 1971 Dr. Franz Heubl put forward, in the periodical 'Europa-Union', a four-point programme for the development of a European education policy. (Dr. Heubl is the deputy Chairman of the CSU and Bavarian Minister of State for Federal Affairs.) Dr. Heubl, who was submitting his programme a few days before the opening of the Seventh Conference of European Ministers for Cultural Affairs, warned against 'any perfectionist efforts to achieve a grand design' in European education policy. As things were at present this would collapse straight away, he thought.

In order to deal with the prevailing psychological difficulties the Minister advocated incentives for greater European mobility to begin with. He proposed four steps:

1. The establishment of a European youth office. It was not enough to rely on young people's fondness for travel in the holidays. There had to be the indispensable minimum of organization and finance to promote exchanges between young people.
2. The foundation of a European scholarship fund to support studies abroad. Such a fund could be financed from the budget of the European Communities. Dr. Heubl said on this point: 'Such a fund could justify increasing the proportion accruing to the European Community from the value-added tax yield of Member States.'

3. The foundation of a European university for research and teaching in European integration.
4. An inventory of the European educational systems in preparation for a 'grand design' for European education. To this end he supported the French proposal to found a European institute for educational questions.

In conclusion he stated: 'Only when we begin taking realistic steps will we achieve the great objective: a European design for education policy.'

(Europa-Union-Dienst No. 24, 2 June 1971)

9. Chancellor Brandt discusses relations between the EEC and the USA with President Nixon

At a press conference he gave after visiting the United States from 12 to 18 June, Mr. Brandt confirmed that he had had detailed discussions with President Nixon about the outlook for economic and trade relations between the Community and the United States.

Mr. Brandt said: 'We must see to it that the United States and the European Communities develop particularly good relations with each other in keeping with the economic and political interests of both sides. There must be no trade war and at the same time we must remain close politically.'

The United States representatives stressed their keen interest in the development of Western Europe and in the problem of enlarging the EEC, and in everything involved in the beginnings of closer political cooperation in Western Europe; the United States' representatives looked for close cooperation with Western Europe. I made it quite clear that this was what we wanted too.'

(Bulletin des Presse- und Informationsamtes der Bundesregierung No. 93, 22 June 1971;

Frankfurter Allgemeine Zeitung, 18 June 1971)

10. Mr. Ertl, Minister for Agriculture, talks to the German-Swiss Chamber of Commerce about the major aspects of the agricultural integration policy

On 18 June 1971 Mr. Josef Ertl, Minister for Agriculture, addressed the annual general meeting of the German-Swiss Chamber of Commerce in Zurich on the common agricultural market and European integration.

One point he stressed repeatedly, in different ways, was the need to back the common agricultural policy up with a coherent economic and monetary policy directed at achieving the stability without which, in the long run, the agricultural market could not operate. Another major point, in view of the unsatisfactory trend in agricultural incomes and the threat of imbalances on the market, was the need for an agricultural structures policy, which the Council of Ministers had set in motion this spring with the adoption of the revised Mansholt Plan. Dr. Ertl recognized that this aim could not be achieved without a gradual reduction in the agricultural population; at the same time he laid great stress on the sociological and ecological desirability of maintaining agricultural infrastructures in regions where the earnings situation had grown more difficult, particularly in the hill and mountain areas.

On the possible agricultural aspects of an arrangement between the enlarged EEC and Switzerland, Dr. Ertl had friendly and encouraging things to say but the latest news from Brussels, he said, was that the European Commission had proposed restricting relations between the Community and the non-applicant EFTA States to industrial free trade rules. He thought it advisable for Switzerland to agree to this proposal because the Federal Government would probably support it. Of course the suggested arrangement should then be gradually expanded.

Regarding repeated disturbances caused by the 'Green Dollar' in the common agricultural market, Mr. Ertl concluded, 'It will only be possible for us to hang on to what we have achieved if further progress can be made with integration. This produces a source of pressure to forge ahead with the internal development and consolidation of the Community.' In actual fact one of the biggest problems of the common agricultural policy was the lack of integration in the external trade field and because of this, agricultural policy, which had long been the driving force of European integration, was now threatening to become the Community's explosive charge. The special regulations passed in 1969 and 1971 - following the parity policy measures in various Member States - were simply palliatives to prevent the worst hardships and injustices.

Dr. Ertl said another serious problem which the EEC agricultural Ministers had to contend with all the time was the incomes disparity. The common agricultural policy had failed to bring a fair share of the general rise in incomes to the agricultural community and it had failed, on the whole, to prevent product surpluses and increases in producer prices. Mr. Ertl illustrated the whole problem of devising a price policy that would provide adequate incomes by saying that 'the same agricultural prices have to be set from Sicily to the North Sea and from Brittany to the Bavarian Woods.'

Having the same prices was in fact extremely difficult 'because almost all the factors involved in farm incomes differ so widely in this Community.' Prices and markets policy could therefore not solve the incomes problem on their own; they had to be coupled with structural, social and regional policy measures. The question as to whether the surpluses problem could eventually be solved with the necessary increase in productivity of those firms left in production was not one that could confidently be answered in the affirmative.

Noteworthy were Dr. Ertl's comments on the division of the structure policy burdens between the Community and the Member States. Almost all the Member States had already taken national measures to promote reorganization, giving State help where needed both to those leaving the land and to those farmers remaining in agriculture; but they had done so in widely differing ways; the amount they had spent had also differed widely. This was justified because of the way economic and farming conditions varied from country to country and from region to region, but also because if the structural policy were put on a completely 'Community footing' one would hit the financial ceiling relatively quickly. The Mansholt Plan would - and he regarded this as a positive feature - ensure that the 'Member States retain the necessary room to manoeuvre - especially for regional measures - and that the amount of money used to implement the measures will be both limited and such that it can be taken in at a glance.'

On structures in the regional policy context, Dr. Ertl went into the agricultural future of the depressed areas. A modern agricultural policy had not only to be an economic policy but at the same time a policy for society at large. In the highland and mountain areas 'farm management can no longer simply be assessed purely by reference to profitability; agriculture and the care of the landscape is here a service for the leisure needs of the Community and compensation for this must be forthcoming either in the form of management subsidies or of contributions from the public authority.'

At the ensuing press conference Dr. Ertl said, with reference to the very topical issue of expanding the policy on producer prices by coupling

it with a system of direct income subsidies, that it was hard to see what new forms of income would be available to the farmer if the basic income trends in the rest of the economy continued. In the long run it might simply not be possible to overcome these disparities through price increases, cost reductions and productivity improvements. In practice, however, a very thorny problem stemmed from a recognized principle; for this question as to 'who gets what and where the borders are' was also hard to answer from the regional policy point of view.

Mr. Ertl did not say whether the EEC's market policy, based on unified prices, was going to undergo a fundamental overhaul but he did admit that the floatation of the Dutch and German rates of exchange had given new life to the discussion of this question. It had been proved that the equalization measures in the agricultural trade could only partially offset the effects of monetary developments. If there were any repetition of these parity changes the question of overhauling the agricultural price machinery would naturally arise, and here it should be noted that the common market regulations were not the only way of promoting the policy laid down in the Treaty of Rome.

(Bulletin des Presse- und Informationsamtes der Bundesregierung No. 96,
24 June 1971;
Neue Zürcher Zeitung, 22 June 1971)

11. According to Mr. Karl Moersch, Parliamentary Secretary of State in the Foreign Ministry, 'policy on Eastern Europe is directly determined by policy on the West'

Mr. Karl Moersch, the Parliamentary Secretary of State in the Foreign Ministry, gave an interview to the 'Handelsblatt' on 21 June 1971 in which he discussed the German Government's Ostpolitik.

He thought that differences between the economic systems were largely responsible for the lower growth rates of German trade with Eastern Europe than of trade with other countries in the first quarter of 1971. Trade between similar economic systems was bound to increase more rapidly so that lower growth rates must be expected for trade with Eastern Europe. Mr. Moersch believed that the present ratio of trade with Eastern Europe to trade with other countries would not change substantially for the Federal Republic; the proportion of trade with the East might even decline somewhat, assuming that trade with the West continued to grow at the present rate.

According to Mr. Moersch this was not a pessimistic analysis but a plain statement of facts. He noted that business with the Comecon only accounted for 4.1 per cent of trade by western countries whereas business with the EEC and EFTA accounted for 18 per cent of all Comecon trade. On the other hand trade within the EEC has risen by 13 per cent over the last ten years and trade between the EEC and Comecon by 12.2 per cent. The East European States' share of West European trade had remained constant in recent years, the reason being the narrow range of exports offered by the Comecon countries and also the lack of information on forward planning in Eastern Europe. In addition possibilities for investment by western companies in Eastern Europe were unsatisfactory; this again was a consequence of the differences between the economic systems.

Mr. Moersch believed that the main political objective of the Federal Government's Ostpolitik must be to eliminate confrontations in the interests of the Federal Republic and of the West as a whole. The idea that security could only be obtained with military backing was not sufficient. 'The causes of insecurity must also be progressively removed.' Confrontation could not be eliminated purely by signing non-aggression pacts. Mr. Moersch believed that all the difficult problems arising between the Federal Republic and the East European countries must be discussed.

Peaceful co-existence must be ensured even though it was impossible to arrange a general peace conference leading to the signature of special treaties. The Federal Government's policy was to eliminate possible sources of conflict as far as possible, without either side needing to abandon its entrenched positions, especially from the legal standpoint.

The existing power structure could not be abolished overnight. But it should be possible to eliminate the threats which had arisen after the second world war. The war did not have to be won again on the Berlin problem. Anyone who approached practical politics with idealistic aims in the Federal Republic was doomed to failure. German and European policy could only be successful if it set out to achieve the most that was realistically possible without indulging in excessive idealism.

Mr. Moersch did not conceal his conviction that idealism had repeatedly led to armed conflicts. In his opinion Bismarck advocated a policy based on the realistic optimum, as did Stresemann who abandoned his policy of maximum targets after the first world war. Mr. Moersch paid tribute to Adenauer's policy on Western Europe as a splendid example of the attitude which he himself advocated. In the area of Ostpolitik he had, however, not been able to resist the forces in his own party which wanted to follow a different path.

Modern politics implied an attempt to ensure not only the avoidance of confrontation in specific if limited spheres but also the creation of possibilities for cooperation. This approach could lead to a permanent order of stability in which the consequences of the second world war could be made more tolerable. He thought previous governments had been mistaken to pursue a logical policy on western Europe while at the same time creating the impression that this policy would be abandoned as soon as the other side fell in with West German ideas on reunification. Policy on the West had at last become realistic now that the Government had admitted the existence of two German States. The Federal Government had simply drawn the consequences of the heritage of the 1950s: 'Policy on Eastern Europe is directly determined by policy on the West.'

Respect for internal order must be the basis of all cooperation. The standards applied to policy on Western countries could not therefore be applied to Ostpolitik. Mr. Moersch rejected the opposition's suggestion that any Ostpolitik must be declared a failure if it did not achieve the same degree of intensity as policy on the West overnight: 'Qualitatively and quantitatively Ostpolitik is quite different.'

German policy on the Eastern bloc countries entailed no value judgements while its policy towards the Western countries was founded on specific values. If it came to the point of 'all or nothing' he would have to answer 'nothing', but if an attempt were made to achieve what was now possible, that would certainly be better than nothing.

(Handelsblatt, 21 June 1971)

12. New forms of cooperation in a united Europe - lecture by Mr. Schmidt, the Federal German Defence Minister, at the Wilton Park Conference

Mr. Helmut Schmidt, the Federal German Defence Minister, gave a lecture entitled 'New forms of cooperation in a united Europe' to the 133rd Wilton Park Conference on 22 June 1971.

He recalled that all the political parties in the Federal Republic had for a long time favoured Britain's entry to the Economic Community because the EEC could never be a complete solution without the economic and political power of Britain. He went on: 'For this reason alone I did not vote for the Rome Treaties in the Bundestag many years ago although in principle

I was in favour of the EEC.

But the great majority of my people and the Bundestag saw no other possibility than to begin with the "little European" solution. The policy of European integration provided the Federal Republic with a suitable framework for the development of our economic potential. It gave us the prospect of political equality in the European family of peoples. It also offered our partners security against a new threat from Germany; that is something which is too easily forgotten twenty years after the Schuman plan. For our people, and above all for the younger generation of the time, European unification was the constructive political idea of the post-war years. In spite of all the setbacks, I believe that European policy has lived up to the promise of those days.

We now stand on the threshold of new developments. Behind the persistent disputes surrounding individual interests the broad outline of an enlarged Community is beginning to take shape. I see a real prospect that its essential features will be partnership, pragmatism, an outward-looking spirit and the ability to cope with new tasks.

The Community cannot be effective unless traditional national rivalries are replaced by partnership and cooperation. We Germans welcomed the Paris discussions between President Pompidou and Prime Minister Heath. The Paris summit was not an occasion for us to revive the historical nightmare of coalitions. The Federal Republic hopes for good Franco-British cooperation because that can only strengthen the foundations of Europe. Franco-German reconciliation has been a cornerstone of European policy. It has now been consolidated too far to be seriously threatened by differences, e.g. on monetary problems. I believe that good Franco-British cooperation will be the best practical introduction to the new chapter of European development opened by the Hague summit conference eighteen months ago.

It is becoming increasingly clear that the Community will continue to develop pragmatically and not on the basis of abstract plans which were considered a possibility in the early 1950s. Developments of modern economic life are making increasingly close coordination of economic policy decisions essential. The critical phases experienced by the EEC in recent years are for the most part explained by the fact that integration in one sphere was frequently contradicted by divergent national measures in others. The creation of an economic and monetary union will necessarily lead to further development of the Community institutions. Ultimately we must work together to solve our increasingly difficult tasks. In this process the contribution of our British partners will be particularly valuable. I consider effective parliamentary control over a strengthened European executive to be particularly vital.

An enlarged Community will not be able to escape its worldwide economic and political responsibilities. As the world's largest trading bloc, the EEC must surely advocate the abolition of obstacles to trade throughout the world. Trade wars, e.g. with the USA or Japan, would defeat their own ends. It would also be incredibly shortsighted if the enlarged Community did not make a concerted attempt to bridge the gulf between the industrialized and the developing countries which in the long run threatens the economic development and security of Europe.

The Community will, however, only be able to implement an outward-looking economic and development policy if it also speaks with a single voice on foreign policy. Its economic interest in an outward-looking policy is therefore inextricably linked with its interest in a stable order of peace in Europe and throughout the world. The Community has embarked upon the creation of machinery to lay down a common foreign policy in the future. Regular consultations between Foreign Ministers and the formation of the Political Committee are a first step towards harmonization of foreign policy and a new style of European diplomacy.

New forms of cooperation also hold out the prospect of political innovation. The Community is, for example, already providing national trade unions with the framework for closer cooperation which is essential if they are to keep pace with the increasing power of international industrial combines.

The new Community institutions are better placed than individual States to solve the problems of environmental protection, regional planning and youth which are common to all industrial States.

Britain's accession will give a new dynamism to the Community. Europe has the possibility of developing a pragmatic, outward-looking and innovative policy on the basis of partnership. We must seize this opportunity.

The progressive unification of Western Europe is far more than a political experiment in a vacuum. Western Europe is simply a part of the European continent. Without the military commitment of the United States and partnership in NATO, the small and medium-sized States of Western Europe would be exposed to stifling dominance by the Soviet Union. They would move into the sphere of influence of a world power which allies traditional power politics with a rigid ideology and bureaucratic administration. In such a Europe the new forms of partnership and cooperation which have made a vital contribution to the welfare and political stability of Western Europe would become infinitely more difficult if not altogether impossible.

Cooperation between European States must therefore also be reflected in the Atlantic Alliance. This Alliance establishes the balance of forces to which we owe our security and freedom to take decisions. Without it we can have no foreign policy. The Alliance is and remains the most important factor in European security and external policy.'

(Bulletin des Presse- und Informationsamtes der Bundesregierung No. 96, 24 June 1971)

13. Statements by the Federal Chancellor and the Opposition in the Bundestag about the successful conclusion of the accession negotiations with the United Kingdom

On 24 June 1971 all the Groups in the Bundestag welcomed the statements by the Federal Chancellor and Mr. Hallstein (CDU), for many years President of the European Commission, about the basic agreement on the United Kingdom's entry into the EEC.

The Federal Chancellor made the following statement to the Assembly: 'In my Government statement of 28 October 1969 on the then forthcoming summit conference at The Hague I said "The peoples of Europe expect and urge statesmen to harness the will to succeed to the logic of history."

This has been achieved in an important field. At the last round of negotiations in Luxembourg, the six Member States of the Community and the United Kingdom agreed on enlargement. This means that the European idea has achieved a decisive victory. All the Governments involved and the Commission made their contribution to this result in a constructive way.

Let me refer particularly in this House, as I did before the conference at The Hague, to the statesmanlike far-sightedness of Mr. Georges Pompidou, the French President, without whose decisive contribution this success would not have been possible. The same may be said of Mr. Edward Heath, the British Prime Minister. His Government stuck to the decision of their predecessors and pursued it with determination. They showed the United Kingdom will enter the Community, with its political objectives and options, unreservedly. As a result the main difficulties can be dealt with. The success of the accession negotiations is also a proof of the strength of the Community. Now it will be able to transcend the geographic bounds to which political circumstances restricted it at the time of its foundation. If

the Community had not had this strength there would have been no lack of severe criticism and it would have been justified. Conversely the success in the negotiations proves that the revolutionary proposal that Robert Schuman worked out with Jean Monnet in May 1950 was a first strategically important step.

If at a time which can without exaggeration be described as historic I mention these two names with gratitude perhaps you will allow me to mention too Dr. Konrad Adenauer, the former Federal Chancellor, and Mr. de Gasperi, the former Italian Prime Minister, who were so determined in calling for a start to Western European integration. Here mention should also be made of a member of this House for his pioneering activity in the European Community. I mean Professor Walter Hallstein, the first President of the Commission, who held that office for many years.

At The Hague in December 1969 I made it quite clear that the future of the Community depended too on whether it succeeded in enlarging. At the same time we have allowed no doubt on the point that we could only work for and realize this accession provided we fully protected the solidarity between the six Member States. During the course of the negotiations, which were certainly not easy, we were able in our multilateral and personal contacts with our partners to discuss ways and means of expediting the accession negotiations.

What has been achieved in these last few days will also have a favourable effect on the further development of the Community towards economic and monetary union. The Federal Government will do everything in its power to bring the present negotiations on the accession of Denmark, Norway and Ireland to an equally unsatisfactory conclusion before the end of the year. At the same time we shall make every effort to see that the special relationship with each of the non-applicant EFTA Member States is settled before the conclusion of the accession negotiations so that these important treaties can also come into force when the accession of the four applicant States comes into effect.

The Federal Government is convinced that the enlarged - and, we are convinced, internally stronger - Community must show itself equal to its international responsibility. An enlarged and consolidated Community is undoubtedly an influence in world affairs. Outside observers have perhaps recognized even more clearly than those inside Europe the significance this Community can have in world affairs. The European Community will pursue a policy of peace - how could the European peoples of today want anything else, given their historical experience? It will in the future be the duty of the European Community not to neglect the Atlantic Alliance or its partnership with the United States but wherever possible to be a staunch partner for

the neighbouring States of Europe.'

The only spokesman for the Opposition was Professor Hallstein, the former President of the EEC Commission. He said inter alia: 'We are happy at the successful outcome of the decisive phase in the negotiations on Britain's accession. Even those who do not like pathos have got to admit this is an historic result. It is a victory for the idea of a united Europe. It is a great success for the European Community, and that means a success not only in the practical present efforts regarding the now concluded negotiating phase - and we shall always be indebted to those on all sides who contributed to it - it is success that is the result of tenacious efforts going back many years.

From the very beginning, i. e. twenty years ago, it has been the objective of European unification policy to embrace the whole of democratic Europe. That is why when we founded the European Coal and Steel Community, the European Economic Community and the European Atomic Energy Community, we invited the United Kingdom to take part. We have never regarded the limitation of the Community to the Six - that is to the little Europe as many have regretfully called it - as anything but a beginning. We always regarded it as a precursor to the greater Europe. This enlargement is the course on which our Community is set. It is therefore consistent with the logic of our enterprise.

We are not yet at the end of the road but as regards the negotiations of the Community with the United Kingdom the basic decision has been taken. We, the CDU/CSU Group, have not merely the assurance but the certainty that these negotiations can no longer fail. The final result depends now on the constitutional bodies of the United Kingdom. Common courtesy prevents our making any comment on this decision, which could be quite instructive. But we must say that we hope that a confirmation of what has been achieved will be reflected in the will of the British people.

We are convinced that everyone will gain from this accession: the British people and the other applicant States in that they will share the proved benefits, both economic and political, of a Community, and the Community itself. For the greater market and an improvement in economic relations will increase the material benefits. Our technological basis will be enriched. Our voice in the world will have greater weight and hence we can try and expect to have a stabilizing influence on world policy and world trade. More to the point is the fact that all the peoples in the East and West, with whose future and doings we are indissolubly bound, will benefit from this enlargement; because the purpose of our undertaking is an order for peace and security, freedom and equality, solidarity and prosperity, dynamism and progress.

Internally this progress will lead to a greater Community - and that will not be the least benefit of enlargement - with greater strength and decisiveness and with a greater chance of success, now that we have cast off the burdens of uncertainty, doubt and paralysis. The rich democratic tradition of the United Kingdom will be beneficial to the internal development, to the urgently needed consolidation and to the increased democratic authority of the organization of our Community. Similarly the high calibre of its diplomacy, and the incomparable international experience it has, will help to make our Community into a federal entity in which the European nations can assert their identity and in which at the same time they can answer the major international challenges of our time with one voice. That is indeed one of the ultimate political objectives of our enterprise which we all share.

In our pleasure about such prospects we are not alone. We share this with all the members of this House. For in this matter there has never been any disagreement between us. We share it with our friends and partners in the European Community; we share it with all those in the world who share our view of European needs, and we hope that as a result of what has been achieved, the insight into the high historical value - moral, political and material - of European unification will prevail everywhere where there is still any doubt. For we are confident in the vitality and dynamism of a united democratic Europe.'

(Deutscher Bundestag, 24 June 1971;

Das Parlament, 3 July 1971;

Bulletin des Presse- und Informationsamtes der Bundesregierung No. 98, 26 June 1971)

14. Mr. Scheel, the Federal Foreign Minister, calls for an economic union based on stability

Mr. Walter Scheel is optimistic about the future of European integration. In an interview given to the 'Handelsblatt' on 30 June 1971 he said that a common solution to the present monetary problems would not only be an important step forward towards economic and monetary union but would also create from the outset the conditions necessary for stability and growth. He hoped to see a new attitude develop which would view worldwide inflation as a challenge.

There was an urgent need for common action to protect the Community against a massive influx of convertible currencies. He drew attention to

the guidelines proposed by the Brussels Commission on 23 June with a catalogue of measures to discourage large-scale capital imports and regulate domestic liquidity. 'We in Germany are ready to agree to this catalogue of measures on the whole, although we cannot accept rigid state intervention through direct currency control. We believe that the Commission's programme should be supplemented by new exchange rate regulations; by this we mean that the fluctuation bandwidths of EEC currencies in relation to the currencies of non-member States should be widened with a simultaneous reduction in the range of fluctuation within the Community.' Monetary policy unification would then pave the way for progress towards closer cooperation on business cycle and budgetary policy.

Mr. Scheel felt that only solutions which were advantageous to all members of the Community could be acceptable; these solutions must be based on absolute equality. He did not believe in an 'entente cordiale' or 'entente amicale' between England and France in the framework of an enlarged Community. For him the idea of an 'entente cordiale' was a ghost from the past which corresponded neither to the interests of the participating States nor to the economic, social and political structures of our own times: 'Anyone who spoke today in the terms used in 1904 - the year of the 'entente cordiale' - in other spheres, such as technology or art would simply be laughed to scorn. What then is the merit of such anachronisms in politics? As has been the case in the past, many different interests will still be at work in the EEC after Britain's accession.' For Mr. Scheel the decisive consideration was that all the participating countries were firmly resolved to act together.

He did not like the suggestion that Germany was 'going it alone' in the monetary sphere, and stressed that both the Federal Republic and the Netherlands had only introduced a floating exchange rate after detailed consultations in the Community institutions. Referring to the common agricultural market, Mr. Scheel signified his awareness of the fact that fluctuations in the exchange rate in relation to the 'green dollar' would, in the long run, impair the operation of the agricultural market. He stressed that in reaching its currency policy decisions, the Federal Republic - in agreement with the decisions of the Council of Ministers - had clearly stated that the measures would only be enforced for a limited period. 'Although it may seem a capital factor at present, we are convinced that the temporary floating of the Deutsche mark will not endanger completion of the economic and monetary union in accordance with the phased plan.

Mr. Scheel rejected the criticism that EEC trade policy was protectionistic. He drew attention to the fact that the Community, which had committed itself to a liberal common commercial policy, had only recently confirmed its outward-looking approach through two important decisions: by its

offer of general customs preferences the Community was the first world trading bloc to comply with the recommendation of the UNO conference; the largest unilateral reduction in tariffs since the creation of the Common Market would enable the developing countries as from 1 July to send more than twice the value of their 1968 exports to the Community without payment of duty.

'In relation to the East European State-trading nations, the Community is also pursuing a liberal trading policy, as is proved by the planned common arrangements for liberalization in the East which will shortly be finalized. These arrangements provide for abolition of the existing quotas, leaving only a "hard core" by the end of 1974. In addition the East European countries can open negotiations with the Community, which will of course have negotiating powers after 1 January 1973, to increase trade still further.'

'As to relations with the remaining EFTA countries after the accession of the four applicant States, the Foreign Minister said: 'We already realized at The Hague that conversations must be held with the EFTA countries which have not applied for membership on the problems which will arise for them after enlargement. These conversations began last November. As President of the Council I stated at the time that the Community will consider with the countries directly concerned ways of avoiding the erection of new trade barriers in Europe.'

Since then exploratory conversations have been held with the Commission and a report has recently been submitted to us. It shows that the wishes of Austria, Sweden, Switzerland, Portugal, Finland and Iceland differ widely, but that all these States wish to maintain free trade with the EFTA countries which join the Community; they would also like to remove trade barriers between them and the existing members of the Community. If we recall the discussions which took place on the European Free Trade Area before the creation of the Community it is obvious that ideas have progressed considerably for the countries concerned to be now considering opening their markets in this way.'

(Handelsblatt, 1 July 1971)

Italy

1. In the Senate Mr. Pedini, Under-Secretary for Foreign Affairs, gives a reply concerning Italy's participation in the European pool for the production of enriched uranium

In reply to a written question from senators regarding Italy's participation in the European pool for the production of enriched uranium, Mr. Pedini, Under-Secretary for Foreign Affairs, said that as soon as the Italian Government had learned of the intention of the United Kingdom, the Federal Republic of Germany and the Netherlands to conclude an agreement for the production of enriched uranium by the gas-centrifuge process, it had taken appropriate steps to secure Italy's participation in this initiative, which was of considerable interest both as regards the supply of an important nuclear material and as regards the economic and industrial benefits connected with the new process.

The underlying aim of the Government's constant efforts to get Italy included, on an equal footing, in the inter-governmental, technological and the industrial aspects of this tripartite undertaking at both the bilateral and multilateral levels, was to ensure that the execution of this project was not restricted to the three promoting countries, but that it was, on the contrary, possible for Italy to join in. These efforts had been successful. Less than a month after the tripartite agreement was signed at Almelo on 4 March 1970, the three promoting countries had sent the Italian Government informal proposals for Italy to participate in the project.

In view of the attitude adopted by Italy these three promoting countries said that they were ready to submit an intergovernmental draft agreement and a memorandum of intent to serve as a framework for Italy's participation.

These plans for an agreement had been forwarded to Italy officially from the British Embassy on behalf of the British, Dutch and German Governments.

The draft intergovernmental agreement contained detailed proposals for Italy's participation in tripartite industrial cooperation and outlined how this cooperation was to develop.

The draft memorandum of intent, on the other hand, dealt more particularly with the participation of Italian industries in the organization for the production and sale of enriched uranium and in the joint enterprise for the construction of the centrifuges and industrial plants.

After examination of these draft agreements worked out by the national administrations, contacts were resumed with the promoting countries at a meeting in Rome on 18-19 January 1971; this enabled the Italian representatives to obtain further details regarding individual clauses in the tripartite proposals. Meanwhile Italy had repeated that if it were to participate in the plans for the development of a gas-centrifuge system, this had to be on an equal footing with the promoting countries, both as regards the operation of the intergovernmental bodies provided for in the Almelo Agreement, and as regards access to technology. The negotiations would continue in the months ahead.

As regards relations between the PEC programme and the production of enriched uranium, it may be added that the PEC is being used in the fast reactors programme to test fuel elements.

Obviously there is no conflict between the PEC and the enrichment programme: Italy and Germany, the promoters of the pool for the production of enriched uranium, are also conducting major research programmes into fast breeder reactors.

CNEN has also set up a uranium enrichment group (GIAU) with the help of the main national industries for the design and construction of isotope-separation plants using the gaseous diffusion and gas-centrifuge methods.

(Senato della Repubblica - Risposte scritte ad interrogazioni No. 108, 18 April 1971)

2. Mr. Colombo, Italian Prime Minister, speaking at the twentieth anniversary of the ECSC

On 24 April, on the occasion of the twentieth anniversary of the European Coal and Steel Community, Mr. Colombo, Italian Prime Minister, stated: 'The driving force behind Europe has always been political even though it has usually been harnessed to economic ends. Today, if we are to go ahead,

the political option will have to be brought out with the utmost clarity.

It is not without significance that one of the factors that has moulded the European Community is to be found in the relations of friendship, alliance and, necessarily, of defence between the United States and the European democracies...

More recently, European individuality, which cannot but be one of Europe's aims, even in our relations with our American friends, has been emerging with increasing clarity as the aim which somehow sums up all the others. It is an individuality to which we are predisposed by our history and culture. It is a common need which recurs everywhere in the rich and varied panorama of our peoples...

I do not think this originality and personality, which the Community of the democratic peoples of Europe will gradually have to assume, can ever lead - and I should like to be absolutely clear on this point - to a position of non-alignment.

We can understand and respect the non-aligned third force positions that various nations have assumed, either for historical or geographical reasons or because of the stage of development they have reached. We have links of friendship with some of them. We consider they play a valuable part in international affairs. But we do not believe that this is the way in which a European Community, which is also growing stronger at the political level, can face up to all its responsibilities...

A Europe that is gradually becoming firmer in its political outlines too can and must therefore try to assert what we were calling its individuality to give it greater weight at every level, beginning with the relationships of trust that exist in our defensive alliance. We also need to go further with our common European approach to the great problems of development of our international society and the tensions and crises surrounding this development.

And here we come to the second natural parameter which the united Europe will have to face up to: the problem of détente, relations between East and West and between the East and West of Europe, European security...

On the whole Europe has been able to act as a powerful factor in the liberalization and promotion of trade and international trade relations,

even though it has only done so from within the borders of the Six.

This, in our view, is the course to be followed even though here, as in agriculture, we shall need a strong sense of purpose and changes will have to take place which are bound to be gradual.

This beneficial and dynamic influence which the Community can exert has not failed to manifest itself in relations both with the Soviet Union and with the countries of Eastern Europe, and not only at the commercial level...

'Of course there is a lot still to be done. It is still possible to make great progress in the economic, commercial, cultural, scientific, technological and human relations between countries with different systems on our continent. Consideration should also be given to new ways of coordinating aid to developing countries aimed at broadening its scope and making it more effective.

Our countries do want to achieve these objectives just as they want to couple this progress with an improvement in the political climate, which is in any case necessary because they are going ahead and growing stronger...

It is enough to think of Bonn's Ostpolitik. But each of us - Italy, France, the United Kingdom, the Benelux countries - is pursuing an individual policy to achieve détente with the East. The reason why these policies should be consolidated and coordinated within a larger-scale Community policy are that there would be a practical agreement as a result and that it would take our Community further on its way...

I have already pointed out that there is now a third parameter which the European Community will have to face up to: that of relations with the peoples who are demanding progress both at the human level and in terms of their status as citizens. The highly industrialized States of today have no right to do no more than systematize their mutual relationships, however necessary this may be. They must be aware of the expectations they have aroused: these are expectations that are growing and do not leave us with very much time...'

Speaking of the enlargement of the Community, Mr. Colombo said:

'We do not wish to underestimate the difficulties. We are convinced that it is in nobody's interest to conceal or minimize them. But we are also convinced that success in the negotiations will give a new lease of vitality to the Community and this factor must not be forgotten. And it is in the light of that success, and because of the dynamism and the new confidence there would be and because all the social and productive movements of our countries would play a bigger part in building Europe as a result, that we should - as of now - look at the problems raised by the accession of Britain and the other applicant States.

It would be a serious mistake to be shortsighted now. We do not even wish to think about failure and its consequences. But we should make it as clear as possible that if there is anything less than complete mutual trust - and this would be the inevitable result of failure on the part of all concerned to enter into a serious political commitment to solve the problems of enlargement in a constructive way - then the consequences, at this point in the development of the Community, could be very serious indeed...'

With reference to consolidation of the role of Parliament, Mr. Colombo stated:

'Preparations have been made. Those who believe in Europe may be dissatisfied - it is reasonable they should be - but it must be admitted that the time is nearly ripe for this vital step towards political Europe.

The way to this has been paved by the agreements on own resources with the greater powers that stem from this for the Commission, the bid to consolidate the role of Parliament and the forms of organized political consultations, which also envisage dynamic institutional developments, that have been achieved. The way has been paved even more decisively by the agreements reached on economic and monetary union which have a vital effect on political affairs.

It is clear however, that a lot remains to be done to achieve agreement on making the Community more democratic and on the highly novel forms we expect it to assume. Universal suffrage for the election of the Parliament is one aspect of this and, I should say, an essential prerequisite. We have long been convinced that only through universal suffrage will we bring home to our peoples what the aims of the European venture are. In this way we shall be creating a vital relationship leading to constant reappraisals and improvements...'

Mr. Colombo also said that the Community could become a new organizational model and he added:

'To end up by achieving a great, unified European democracy does not of course mean it should lose its own traditions and character. It means the opposite: only European democracy can give a new and valid sense to our values. It can do it, however, with a respect for and with the free acceptance of certain rules. These rules are also the rules of democracy: an understanding of others and a respect for them.'

(L'Europa, No. 6, 30 April 1971)

3. Discussion of the monetary crisis in the Chamber of Deputies and Senate

(a) Chamber of Deputies

On 12 May the Treasury Minister, Mr. Ferrari-Aggradi, explained the monetary measures taken in Brussels on 9 May to the Budget and State Holdings and Finance and Treasury Committees of the Chamber of Deputies.

After confirming the validity of the theory that without a monetary union the Community would remain exposed to the risk of serious disruption which would hamper the process of integration, the Minister explained that his faith in the future stemmed from four points on which agreement had been reached in Brussels.

The commitment to prior consultation and multilateral action had been affirmed. The measures adopted were exceptional and temporary provisions which would subsequently be revoked. Effective measures to control internal liquidity had been considered even by those countries which hitherto had resisted this type of control. Finally the adoption of unilateral measures had been avoided and the Community left with the responsibility of deciding whether certain compensatory measures should be adopted for specific sectors such as agriculture.

Mr. Ferrari-Aggradi then stated that the Italian Government had attempted to safeguard the interests and requirements of Italy itself by firm action to bring about a renewed expansion of productivity and by placing that

action in a European setting.

Mr. Colajanni (Communist) stated that explanation of the massive flow of Eurodollars by the US balance of payments deficit though objectively correct did not reflect the whole picture; the underlying cause lay in the structural nature of the deficit and in the American desire to continue the disequilibrium for an indefinite period of time. The policy of capital control was useful but it must be applied by all the EEC countries because it was the only serious alternative to successive fluctuations of European currencies.

Mr. Vittorino Colombo (Christian Democrat) said that the most disturbing aspect of American hegemony was economic and not military; the dollar's leading role was not justified by the real economic circumstances. For reasons of prestige, the United States was avoiding devaluation and passing its difficulties on to foreign countries. With regard to the action to be taken, Mr. Colombo thought that control of capital movements was essential. Cooperation at European level was necessary to fix tax exemption for non-resident accounts and to create a central community bank which, even in the absence of a single European currency, would fix official interest rates, compulsory reserve levels and forms of control over capital movements.

Mr. Scotti (Christian Democrat) mentioned the need for Europe to lay down its own effective monetary policy as an answer to the United States; this policy must be drawn up independently, even if the task of doing so was long and difficult because of the links which existed between economic interests and political objectives and because of the internal imbalances in the Community. The Italian Government must make an effort to review the international agreements dealing with the problem of flexible exchange rates and the role of the special drawing rights for the European monetary unit.

Mr. Orilia (Independent Left) stressed the contradictory economic and political aspects of the policy followed by the different EEC Member States in face of the crisis which had occurred in the monetary sector, and expressed the opinion that genuinely effective measures could only be taken by developing adequate machinery to control the movement of capital, and then only if the European line differed from the policy followed in the past.

After pointing out the need to remedy certain monetary policy shortcomings of the past, Mr. Serrentino (Liberal) stressed that the policy of the Italian Government on this occasion deserved support to the extent that the present stagnation of the Italian economy had made it impossible to fall in with the measures taken by other Member States. But all that now existed were immediate safeguards which offered no guarantee for the future because the

problem of adjusting the different currencies to their true value, as the only way of arriving at a single European currency, remained open.

Mr. Fabbri (Christian Democrat) regretted that no preventive measures had been taken even though the present situation had been foreseen. This meant that the existing machinery did not function properly. The immediate consequences might not be serious to Italy but were damaging to the EEC. The United States on the other hand was satisfied with its position and practically indifferent to the fate of the dollar on foreign markets. The risk for the future was not so much that of speculation as of wide fluctuation in the exchange rates. Progress must be made towards a coordinated European monetary and economic policy because all other expedients, even if useful, could only give temporary benefits.

(b) Senate

On 21 June, the Senate held a debate on a number of oral and written questions and motions, submitted by many senators belonging to different political groups, on the monetary policy measures adopted at international level. The debate ended with the adoption of a majority motion approving the policy followed by the Government at the recent meetings of the European Community institutions.

Senator Nencioni (Italian Social Movement) stated that, bearing in mind the likelihood that a speculative wave of Eurodollars might unfurl on Italy if the lira were revalued, it would be necessary to recommend, through the appropriate channels and by pressure on the Community organizations, the creation of a new system to control international liquidity and exchange rates, while respecting the interests of the different national communities. He expressed his concern at the proliferation of multinational companies which found the great volume of mobile capital and Eurodollars a perfect means of satisfying their growing requirements, since stringent currency regulations prevented the immediate transfer of currency and financial capital.

Senator Li Vigni (Italian Socialist Party of Proletarian Unity) stressed that in the present state of affairs there was no prospect of establishing a stable monetary system. That would only be possible if Italy and Europe showed the political will to clarify their basic positions and possibly face a political confrontation with the United States.

Senator Anderlini (Independent Left) stressed in turn the possibility of a political turn-around by the United States which would entail risks for the

European economies, and regretted the fact that the Italian and Community authorities had not adopted a clear position on the dollar problem. If Europe had in fact reacted in unison, the crisis could have been solved in a variety of ways and it would have been possible to create the framework for a new monetary and political equilibrium. The return to a gold standard must be excluded and it would be necessary to move towards a world monetary unit whose management would involve the responsibility of all the nations of the world. Measures could be adopted to control the movement of capital to and from foreign countries not only as a long-term proposition but also in the immediate future in order to coordinate those movements with the economic policy of the Community; to apply controls not only to the banking sector but also to the non-banking sphere and to work out a European calendar for Euro-bond issues in dollars; to apply compulsory reserve coefficients to dollar holdings in the European banks and finally to adopt means of dissuading American investments in Europe.

After criticizing the fact that the EEC member countries had tried to find separate answers to the problem instead of showing a common front, Senator Pirastu (Communist) stressed that the results of the June meeting of the EEC Finance Ministers had superseded the statements made in May to the Chamber of Deputies by the Treasury Minister, since it was evident that the Federal Republic of Germany did not intend to terminate the floating exchange rate for the DM and wanted to strengthen its economic supremacy. The speaker hoped for a new international monetary system based on a new currency unit which would enable exchanges and trade to develop between all countries even if their systems of government differed.

Senator Formica (Socialist) stated that in face of the situation of crisis and disequilibrium, European Governments had placed excessive faith in the possibility of prevention and therapy through the system of special drawing rights, demonetization of gold and international monetary cooperation. But agreements of an exclusively monetary nature could not fill the gap created by the lack of common action at the economic and political level which had appeared when no coordinated and unified measures had been taken by the Community countries to dissuade or regulate the influx of hot money. He said that the floating exchange rate of the Mark was a measure which would only dissuade speculation temporarily and he asked for the Federal Republic to fix a precise date on which the rate would cease to float. After indicating measures which would be capable of controlling the influx of dollars, he pointed out that these measures, which were useful only for a brief period, should be accompanied by major political action to coordinate the strategy of the individual States in the sphere of development rates, price levels and tax arrangements; all these were economic policy objectives.

Senator Pella (Christian Democrat) stated that it was exaggerated to suppose that inflation in Europe was a direct result of inflation exported from the United States because in Europe there was an independent phenomenon of inflation which was masked by the concept of 'imported' inflation. With reference to monetary reserves, after stating that it was impossible to return to a pure gold standard, he said that while being convinced that a currency was guaranteed by the stability of the economy and correctness of financial policy it was important not to elevate this theory into an absolute value. He called upon the Government to give an assurance that it would favour appropriate action to achieve the necessary objectives and ensure that the Community States would harmonize their economic policies while awaiting the creation of a politically integrated Europe.

Senator Cifarelli (Italian Republican Party) stated that the establishment of an economic and monetary union was a point of no-return and went on to draw attention to the qualitative move forward taken in European integration; he said that from this angle the shock of the monetary crisis last month had been salutary because it had favoured union; he then pointed to the importance of the Italian Government's commitments in relation to the need to overcome this system of floating exchange rates and control the abnormal level of international liquidity.

After outlining the background to the monetary system at the beginning of May the Treasury Minister, Mr. Ferrari-Aggradi, justified the Italian position not to suspend dealings in the lira as follows: faced with the internal situation which was characterized by sharp rises in production costs it was important not to make exports more expensive; the parallel floating of exchange rates would have deprived Italian monetary policy of any content by tying it to a currency which was in constant difficulties, namely the DM; as regards imports, those of raw materials would not have been affected while imports of finished products could have been transferred to other markets.

The Minister then stated that the European will to make progress towards the economic and monetary union had never been less apparent. He added that the Council had ruled out the adoption of quantitative recommendations which, because they would have been based on an arithmetic mean instead of on the real situation of the individual countries, would have been difficult to adapt to the structural and short-term position which varied widely from country to country.

The Italian delegates had been firm on this matter. However, as gradual progress was made on the difficult road towards economic and monetary union, further integration would be essential. All the countries were extremely disturbed by the present rate of inflation which was much higher

than that foreseen in the short-term development programme.

This problem also concerned Italy and must be highlighted; but here again the Italian requests had been fully met by the Community; inflation could not be counteracted purely by the classical methods which were suitable for countries with full employment, but rather by methods tied to the commitment to a policy of productive expansion and social reform.

Consideration of the problems relating to the dangers of inflation necessarily led on to certain basic aspects of the current international problems: internal and international liquidity, their interaction and the means of controlling liquidity.

This interaction not only affected the Community and its Member States but also the Group of Ten and ultimately the International Monetary Fund. There was no miraculous solution for any of the parties concerned. We should continue to work day by day through official and unofficial contacts to establish cooperation. Here too everyone concerned wanted to find a solution.

Returning to the Eurodollar market, the Minister said it was primarily a reflection of the persistent disequilibrium in the American balance of payments. However, the problem was further complicated by indirect movements which were added to the direct flow of dollars.

The first effects of this multiplication were the direct deposits by central banks and indirect deposits through the Bank for International Settlements.

Finally as regards the influence of the Eurodollar market on internal liquidity, attention was being given to the regulation of non-commercial transactions; some proposals including two which had been in use in Italy for several years, would be examined; special permits for loans to companies and regulations governing the net external positions of the banks.

The Minister concluded by stressing that while the solution to European monetary problems must be found on a realistic and practical basis, at the same time the Italian position had been fully safeguarded.

(Camera dei Deputati - Bollettino delle Giunte e delle Commissioni Parlamentari, No. 492, 12 May 1971;
Senato della Repubblica - Resoconto stenografico, No. 495, 21 June 1971)

4. Talks in Stockholm between Italy and Sweden

At the end of his meeting with Mr. Torsten Nilsson, the Swedish Foreign Minister, Mr. Moro, the Italian Foreign Minister, said: 'Today we examined the political rather than the economic aspects of a rapprochement between Sweden and the EEC. The Swedish have made proposals which undoubtedly deserve to be taken into consideration. Their contribution to the technological and industrial development of Europe is indisputable. We have always appreciated Swedish neutrality because of its function in maintaining a balance in northern Europe, and we should look into special forms of participation for that reason.

It would be absurd to suggest that Europe can do without a country as advanced as Sweden, just as it would be difficult for Sweden to isolate itself. In fact I am convinced that the European road also goes through Stockholm. Europe should not create divisions but communities based on more varied premises. For Sweden there will probably be a special formula which takes its special condition into account; just as special separate agreements will have to be looked into for other nations such as Austria, Switzerland and Finland which cannot, for various reasons, join the EEC.'

(Corriere della Sera, 19 May 1971)

5. Mr. Romita, Under-Secretary for Public Education, calls for the establishment of the European University

In an interview given to 'Informazioni universitarie europee' Mr. Romita, Under-Secretary of State for Education, said that the Italian Government was expecting the autumn meeting of the six Ministers of Education to work out agreements for the creation of the European University at Florence.

'I would recall the Italian Government's commitment to revive the project which has now reached maturity. The idea is to set up in fact a Euro-

pean post-university institution in Florence which could give a special impetus to the study of and research into problems raised by European integration, by the great changes in our continent and by its relations with other civilizations.

The four departments envisaged (history and civilization, political and social sciences, legal sciences, economic sciences) will give research students an opportunity to contribute to the advancement of knowledge affecting the common heritage of Europeans, in its unity and diversity, at the very highest level. The University of Florence could be a means of encouraging the Europeanization of existing universities and university cooperation in general. The University should not compete with existing university or post-university institutes in Europe which have carried out praiseworthy work and which are going to be called upon to an ever increasing extent in the wider context of a European educational community. '

(Informazioni Universitarie Europee, No. 53, June 1971)

6. Italian support for the UNIPEDE initiative on nuclear programmes.

The programmes drawn up by CNEN (National Nuclear Energy Committee), ENEL (National Electricity Establishment) and the industries in the nuclear sector were examined by CIPE (Inter-ministerial Committee for Economic Planning) at a meeting on 4 June attended by the Ministers concerned.

At the close of the meeting, Mr. Gava, Minister for Industry, said: 'We made a close study of the CNEN programmes and issued directives for research into convertor reactors, fast breeder reactors and nuclear fuel. We also decided to join in the UNIPEDE (Union of European Electricity Producers) programme for the manufacture of fast breeder reactors in which France and Germany are also participating.

In all, CNEN programmes will involve expenditure of 430,000 million lire, while the plan scheduled for the previous five years was based on a total of 150,000 million lire.

As regards its participation in the UNIPEDE programme approved by CIPE, ENEL will be able to avail itself freely of the technical knowledge and information gained during the planning, construction and operation of the

two power stations equipped with fast breeder reactors which will be built in France by 1974 and in Germany by 1978. The full expenditure involved in the programme has not yet been worked out.

The fact that the two power stations are planned in France and Germany raised criticism in Italy, just as there was criticism of the fact that Italy was only participating on a minor scale. In this context ENEL pointed out that supplies, including some of great technical value, were to be provided by the industries of the three countries in proportions equal to the participation of the national electricity producers.

(Il Corriere della Sera, 5 June 1971;
Il Sole - 24 Ore, 16 June 1971)

7. Visit of the Italian Foreign Minister to Ireland

Speaking at a press conference in Dublin on 11 June on the occasion of his visit to Ireland, Mr. Moro, Italian Foreign Minister, spoke of the common resolve of Italy and Ireland to speed up the negotiations for Ireland's accession to the European Communities by developing and stepping up contacts and exchanges of views both in the Community and every other diplomatic arena.

In this context, Mr. Moro - as he pointed out to the journalists - noted the comments made by the Irish on outstanding issues, assuring them of Italy's full support for every attempt to solve them and to dissipate any doubts or confusion.

There were many points of similarity between the problems of Italy and those of Ireland. In both countries an active policy of incentives for promoting the less developed areas was being pursued. On joining the Common Market, Ireland intended to try and safeguard these regional policy interests, in pinpointing and developing which Italy's Community experience would be most useful.

Mr. Moro added that in his talks with Mr. Hillary, Irish Foreign Minister, their discussions had covered not only economic problems but political ones too, including détente and peace in the light of the NATO Council meeting in Lisbon. In particular, they discussed the European Security Con-

ference and a balanced reduction in military strength.

(Il Popolo, 12 June 1971)

8. During his visit to the United Kingdom, Mr. Colombo, Italian Prime Minister, gives his views on the political integration of Europe

In interviews given to 'The Observer' and 'The Guardian', and at a press conference, Mr. Colombo, the Italian Prime Minister, stressed the political importance of Britain joining the EEC.

'Italy has always viewed the problem of Great Britain's entry into the Community in a predominantly political light. We are pleased that this view has finally prevailed over the important and delicate but, at the same time, narrow technical and economic considerations which formed the subject of the negotiations.

For the Italians the chief reason of existence of the Community has been political throughout. Twelve years ago their doubts about some of the economic consequences of membership were as pronounced as those in Britain today.' According to Mr. Colombo, Italy, then primarily an agricultural country, hoped to obtain some advantages for her citrus fruits and vegetables, but was fearful of the industrial implications. But today the Italian Prime Minister declares: 'We were wrong. The reality is the reverse.

Inside the European Community we discovered the thrust for the complete transformation of our economy. And I believe that by joining the Community and finding herself alongside the big economies of Germany and France, and also the Italian economy, Britain will also find the means for her economic transformation.'

He did agree that Britain and Italy had a common interest in the development of regional policies on a European scale: 'I am really convinced that on this we can work together within the Community.' But as Mr. Colombo sees it, 'it is not a question of transferring Community resources from agriculture to regional development but of creating additional Community funds for this purpose.'

Mr. Colombo gave a strong priority to the creation of an economic and monetary union (the two being inseparable) and believed that no such union could last long without a supporting political structure.

He remained faithful to the 'federalist thesis' and an advocate still of direct elections to a representative European Parliament.

The Prime Minister indicated that he expects the West European democracies to follow the path of the Italian States towards full union, but he made it plain that 'our Community does not tend to level out or to denature the peculiar contribution of each member but to give value to it.'

Looking towards the creation of what he called 'an ensemble of nations which will make their voice heard in the world', he indicated that he would expect the enlarged Community to take over Chancellor Brandt's Ostpolitik.

He claimed that the developing of clear economic and political links with the Communist bloc 'depends greatly on the strength of Western solidarity.'

Although he conceded that the Soviet Union had not recognized the Brussels institutions, he expressed the conviction that they would soon do so. He said he had noted several hints that China was interested in doing business with the Community, and he did not expect the Russians to trail too far behind.

(The Observer, 20 June 1971;
The Guardian, 28 June 1971;
The Times, 29 June 1971;
Avvenire, 30 June 1971)

9. European policy debate in the Senate Foreign Affairs Committee

On 24 June Mr. Moro, the Minister of Foreign Affairs, outlined in the Senate Foreign Affairs Committee the international policy pursued by the Italian Government in recent months.

Referring to European problems, Mr. Moro spoke of the successful outcome to the negotiations on Britain's membership of the Community and stressed that since the very beginning of the historical attempt to establish a united Europe, Italy had always hoped that the British people would participate fully. During the past year, in which conditions had been more favourable, the Italian Government had worked discreetly but tenaciously and effectively for accession of Britain, Ireland, Denmark and Norway to the EEC as part of a great common venture.

He pointed out that the aims and structures of the Treaties of Rome had been safeguarded while equitable conditions had been offered to the applicant countries; he added that ways and means must still be found of associating with the Community those EFTA countries which, because of their special historical traditions or international commitments, could not participate in the process of political unification of Europe but wished to share in its economic and social life. The conditions had now been created for Europe to achieve its true dimensions as well as the economic and political weight needed to play throughout the world, and in particular in the Mediterranean and African areas, an effective role for cooperation, civil progress and peace.

Referring to the Mediterranean area, Mr. Moro spoke of his recent journey to Algeria during which he established direct and friendly contacts with all the Maghreb countries; he stressed that this region was an important factor of stability in the Mediterranean, all the more so as the development towards increasingly close forms of economic and political cooperation between the individual countries concerned as well as between the latter and Community Europe was becoming increasingly rapid.

He then touched on the subject of relations between Italy and Africa and the problems of that continent in the light of his conversations with statesmen and members of government of the African countries. He stressed the importance which must be given to relations between Italy and the African States in the general context of Italian foreign policy and said that from the outset relations had been developed on the basis of respect for the internal situation and foreign policy options chosen by the governments of the young nations now emerging on the international scene. Italian policy was founded on full recognition of the independence of the African peoples and on rejection of colonialism and racial discrimination.

Senator Nenni (Italian Socialist Party), associating himself with the entirely positive opinion expressed by the Minister on the agreement reached by the Six in Luxembourg for Britain's entry into the Common Market, pointed out that time and the hard arguments of the past had left traces which were not easy to erase: this was reflected in the arguments currently raging in

Britain over the conditions of accession; these arguments were in fact more heated than had been expected. He felt that realization of the fact that Europe needed Britain as much as Britain needed Europe would help to overcome any remaining British hesitation; the early accession of Denmark, Norway and Ireland would also facilitate matters.

He concluded by pointing out that the European Economic Community was not an end in itself but a means of achieving a genuine European political community which would enable the continent to become an essential component of a new world equilibrium based on a policentric concept of international life.

Senator Bettiol (Christian Democrat) expressed his own concern at the obstacles which he felt the British mercantilist mentality might place in the way of the construction of a political Europe based on the ideals of Mr. Schumann, De Gasperi and Adenauer; he saw a further stumbling block on the road to European political union in Chancellor Brandt's Ostpolitik which was turning Germany towards the Eastern countries on a strictly German and non-European basis.

Senator Calamandrei (Italian Communist Party) also stressed that action for a united Europe must be bound up as closely as possible with the policy of détente; the action for European unity could be placed in this wider context: British membership of the EEC would only be significant if the Community was enlarged on the firm principle of creating a united and independent Europe with the agreement and participation of the people.

Referring to the problem of Britain's membership of the Community, Senator Brusasca (Christian Democrat) stressed the implications this important event would have outside Europe. Europe could rapidly become a fourth pole in world policy, able to work effectively to consolidate security and peace: it would also have significant and useful ties with the Pacific area through Britain. This situation could open exceptional prospects for worldwide action, especially in the sphere of relations with the great Asian continent.

Senator Oliva (Christian Democrat) expressed the hope that Austria and Switzerland would soon move closer to the European Economic Community and stressed that Britain's entry was liable to highlight the northern character of the Community by further isolating Italy, which was committed to the task of solving the great Mediterranean problems.

Senator Fabbrini (Communist) said that Britain's entry into the EEC was being welcomed with excessive optimism and stressed that European unity would not gain from this new development. In addition the European Community was unable to achieve genuine independence because of US military policy which tended to burden Europe with the economic consequences of the war in Vietnam.

Senator D'Andrea (Liberal) and Senator Dindo (Social Democrat) stressed that Britain's entry meant the achievement of an enlargement which had long been hoped for: united Europe would become the fourth world power and European problems would have to be solved in a continental rather than national content.

Closing the debate, Mr. Moro confirmed in reply to the various speakers the political significance of the successful outcome to the negotiations with Britain and the other applicant countries. He said that Britain's entry would not jeopardize the prospects for political development which was inevitable in the long run. The economic and monetary union would inevitably lead to integration.

(Senato della Repubblica - Resoconto stenografico, 24 June 1971)

Netherlands

1. Approval by the Second Chamber of the gas-centrifuge agreement with Britain and Germany

The Second Chamber approved the agreement drawn up in Almelo on 4 March 1970 between the Netherlands, Britain and Germany on cooperation in the development and operation of the gas-centrifuge method for the production of enriched uranium. The Chamber, which discussed the matter on 3 and 9 March 1971, signified its approval only after the Government had agreed to a number of guarantees against misuse of the project for the manufacture of nuclear weapons.

Mr. Westerterp, speaking on behalf of the three main Christian Democrat Parties (Catholic People's Party, Anti-Revolutionary Party and Christian Historical Union) listed ten guarantees which must be given by the Government. The three groups wanted specific confirmation of these points by the Government:

1. The Netherlands enters into negotiations with the two other countries on the assumption that arrangements will be made to prevent the gas-centrifuge process from being misused to further the proliferation of nuclear weapons.
2. Cooperation between the three countries must not interfere with the Netherlands' desire to continue on the path of peaceful development in Europe and reduction in the stocks of nuclear weapons.
3. Tripartite cooperation is an additional guarantee that the process will not be used for the manufacture of nuclear weapons in the Federal Republic.
4. If Britain should decide to further enrich in its own plants uranium obtained from a tripartite plant so as to make this uranium suitable for the production of nuclear weapons, this must be done exclusively with uranium originating from a tripartite installation established in the United Kingdom and not in the Netherlands.
5. In the framework of the Joint Committee which must reach its decisions unanimously, the Netherlands Government will not cooperate in exporting information, equipment or material developed or produced as a consequence of tripartite cooperation to countries other than Euratom Member States, unless such exports are accompanied by the guarantees required under the Non-Proliferation Treaty.

6. The policy of the Netherlands representatives in the Joint Committee will in general be directed towards giving priority to the prevention of proliferation arising out of tripartite cooperation on the gas-centrifuge process over the commercial advantages which may result therefrom.
7. In the Joint Committee the Government will not support transactions relating to the exporting of data, licences, equipment and material to countries which have not signed the Non-Proliferation Treaty unless they have first discussed the matter with the Second Chamber of the States-General.
8. In the framework of the Joint Committee the Government will not support transactions with countries which have signed the Non-Proliferation Treaty but fail to respect its provisions.
9. In negotiations on the accession of other countries, the basic principle followed shall be that applicant countries must be willing to enter into the obligations accepted by the Netherlands, the Federal Republic and the United Kingdom in the Almelo Treaty, in order to prevent the proliferation of nuclear weapons, ensure control over the latter and maintain the secrecy of information.
10. Bearing in mind the above considerations, the contracting parties advocate links between the tripartite system of cooperation and Euratom compatible with the industrial and peaceful nature of the gas-centrifuge project.

The Minister of Foreign Affairs, Mr. Luns, agreed to the conditions laid down by the three Christian Democrat parties.

The Minister of Economic Affairs, Mr. Nelissen, signified that there was an increasing likelihood of Italy acceding to the Treaty.

At the end of the debate the Second Chamber passed a motion, tabled by Mr. Oele and Mr. De Goede:

'The Chamber,

after discussing the Treaty of Almelo and the obligations arising for the Netherlands from the development of the gas-centrifuge method;

finding that in the present phase of the development project there is insufficient information on the consequences for European industrial policy and the role which the Government must play in the transition to the commercial phase in the interests of consumers and European cooperation;

believing that no efforts must be spared to ensure that this project gains wider backing in the Community;

calls for further discussions between the Chamber and Government before deciding on the construction of a commercial installation with a processing capacity of more than 350 tons per year,

and continues with the agenda.'

(Handelingen Tweede Kamer, 1970-71 Session, Sitting of 3 March 1971, p. 3103;
1970-71 Session, Doc. 10 469, 10 733, No. 11)

2. Parliamentary questions

The competence of the Court of Justice of the European Communities

Mr. Visser and Miss Goudsmit (Democracy '66) addressed a written question to the Government on Judgment 22/70 of the European Court of Justice of 31 March 1971 which was critically reviewed by 'Le Monde' on 21 April. The question read as follows:

- Does the Government feel that by delivering this judgment the Court of Justice of the European Communities has substantially promoted the further development of the European Communities by enabling it to appear as an independent unit in the conclusion of agreements governing international transport?
- Does the Government think that in delivering this judgment the Court has remained within the powers assigned to it by the EEC Treaty?
- Is the Government ready to do everything in its power, both within and outside the EEC, to ensure the observance of this judgment by the Community bodies, particularly the Council of Ministers and the European Commission?
- Is the Government ready to ensure that the powers of the Court, in so far as they are laid down in the Treaty, will in future also be applied without restriction?

Mr. De Jong, as interim Minister for Foreign Affairs, gave an answer on 26 May on behalf of the Prime Minister. The Government answered

the questions in the affirmative. It referred, however, to the circumstance, which was also described as relevant in the Court's judgment, that the procedure for negotiations on the conclusion of treaties with third countries was not regarded as being exclusively a matter for the bodies of the Community and the Member States.

(Tweede Kamer, 1971 Session, Annex 129)

The European policy regarding the Middle East

On 2 May Mr. Dankert (Labour Party) submitted a written question concerning a meeting of the Foreign Ministers of the European Communities that was held on 13 May, at which an attempt was made to agree on a Community policy regarding the Middle East.

On 3 June Mr. Luns, Foreign Minister, replied that he had categorically denied that he had come to an agreement with his colleagues from the other five Member States about the need for Israel to withdraw behind the frontiers existing before the Six Days' War in 1967.

Mr. Luns further stated that as a result of Dutch pressure it had been carefully stated in the working document (drawn up by the Directorate-General of Political Affairs of the Ministries of Foreign Affairs of the Six and approved by the Ministers) that nothing had been deleted from the terms of Security Council Resolution No. 242 of 22 November 1967. In this the withdrawal from the occupied areas is regarded as essential to any fair and lasting peace settlement, which must be surrounded with guarantees. The Minister added that in view of his own attitude and the reserves of his colleagues regarding French policy in the Middle East, it would be wrong to suggest that an agreement had been reached in Paris on 13 May on a common policy regarding the Middle East.

The Ministers had noted that between the six countries there was agreement on the conditions to be met for achieving a fair and lasting peace in the Middle East, such as was formulated in Security Council Resolution No. 242. A common policy on the part of the Six was not agreed on.

(Tweede Kamer, 1971 Session, Annex 173)

Statement by Mr. Mansholt on the transfer of the textile industry to the developing countries

On 17 March Mr. Berkhouwer and Mr. Portheine (People's Party for Freedom and Democracy) addressed a written question to the Government about the statement made by Mr. Mansholt, Vice-President of the Commission, in which he had suggested that the textile industry in the highly industrialized areas - such as Europe - should be transferred to the developing countries.

The question called for a statement by the Government to the effect that it would not support the policy advocated by Mr. Mansholt.

Mr. Udink, Minister without Portfolio, stated on 14 May on behalf of the Government that Mr. Mansholt had expressed his views much more guardedly than appeared from the various newspaper reports. In particular Mr. Mansholt had stated: 'Should we not offer more opportunities to the textile industry in countries that have to become industrialized? Is it so necessary to have protected textile industries in our industrialized countries? We ought to be able to re-train the workers in the industry, but this must be organized separately for each branch of industry as was the case for the coal-mines. While this is being done protectionism is admissible.' Mr. Udink added: 'The policy of the Dutch Government is directed towards an optimum international division of labour without distorting competition, by freeing international trade and phasing out the subsidy system. Within Europe, this will be achieved through integration in the EEC. At the international level an attempt has been made to achieve the same objective, notably through a reduction of tariffs. As a result of this integration and through these trade policy measures there will be a natural reorganization. This process must be coupled with adjustment regulations to deal with any serious disturbances, e. g. by overhauling the industries concerned and, whenever this fails to have the desired effect, by retraining employees. In this connection reference must be made to the Government-financed investigations into the structures of the cotton, rayon and linen industry, the worsted and woollen material industry, and the clothing industry, as well as to other forms of support for enterprises which may be faced with difficulties. In the view of the Government these difficulties are only partly the result of competition from enterprises in the developing countries.'

This policy was not, Mr. Udink felt, in conflict with the statement referred to made by Mr. Mansholt with regard to the protection of the textile industry.

(Tweede Kamer, 1971 Session, Annex 41)

3. Discussions between Mr. Rippon and the Dutch Foreign Minister, Mr. Luns, at The Hague

On 20 April, during discussions with Mr. Rippon, Mr. Luns stated that British flexibility towards Paris in the sphere of defence cooperation could have a favourable influence on the French attitude to British accession. The Minister made no secret of the fact that he considered discussions between Mr. Heath and President Pompidou to be highly desirable. During a press conference Mr. Rippon stated that he did not look upon a Franco-British summit meeting or a British offer to share nuclear information with France as a key to the negotiations on accession. It was wrong to give the impression that something dramatic must be done. That was just not realistic.

State Secretary De Koster shared Mr. Rippon's opinion. Bilateral discussions should only be held if they became absolutely necessary. But how could the Netherlands, a State of only 13 million inhabitants, take the initiative in this matter?

Mr. Rippon did not exclude the possibility of arranging such a meeting. But he said it was wrong to give the impression that Britain was moving towards a meeting. What Britain wanted was significant progress during the negotiations in Brussels on 11 May. This was necessary if British parliamentary and public opinion was to be won over.

(Nieuwe Rotterdamse Courant-Handelsblad, 21 April 1971)

4. Discussions between three Parliamentary Committees and the Government on the economic and monetary union

On 25 April a report was completed by the Standing Committees on Finance, Foreign and Economic Affairs with the cooperation of the Ministers of Finance and Economic Affairs and the Secretary of State for Foreign Affairs on the phased implementation of the economic and monetary union.

The Secretary of State for Foreign Affairs, Mr. De Koster, explained that the major advantage of postponing the decision on institutional problems was that progress towards obtaining real powers for the European Parliament must not be blocked. Efforts to force decisions at this stage would provoke lengthy arguments because of the need to arrive at unanimity,

and it would be difficult to achieve good results.

So as to prevent the economic and monetary union from functioning under control of the Member States completely outside the provisions of the Treaty and without consideration by the European Parliament, the following paragraph had been included in the text after many French objections:

'The European Parliament will discuss and supervise the implementation of common policy in the framework of the economic and monetary union

The Secretary of State suggested that an accurate interpretation of this paragraph would be that 'the European Parliament will consider and decide upon as well as supervise etc.'

Even this in his opinion did not represent a real breakthrough as regards the powers of the European Parliament; however the door to the system which the Netherlands wanted had been kept open.

One of the members drew attention to the fact that Part I of the resolution outlining the final phase of the monetary union made no specific mention of the fact that this final situation would only become a reality after ten years. It was conceivable that certain powers might be withdrawn from the national Parliaments before the European Parliament was able to take them over. The member concerned gave a firm warning against allowing this to happen and asked the Government to make sure that the powers of the European Parliament were determined before the Member States moved forward to the next stages.

It was then asked by what constitutional right the Government had approved the Council resolution. Confusion was possible on this point because it was 'a resolution of the Council and of the representatives of the Member States' Governments.' Representatives of the Governments could only enter into agreements if they were constitutionally empowered to do so. Why was no clause to that effect included in the resolutions? Because, in the opinion of some Governments, the Treaty of Rome did not cover the decisions which had been taken, there was mention of an agreement under international law which would then have to pass through the normal constitutional procedures before the States were bound by it. In the context of the limitation of the budgetary rights of the Parliaments, legal approval and perhaps even an amendment to the basic law would be necessary if appropriate provisions were not contained in the Treaty of Rome. If no binding decisions had yet been taken for the final phase, what then was the significance of participation 'by the

representatives of Member States' Governments?'

The member who made this remark said he was disappointed by the meagre results contained in the resolution, which amounted to saying that the European Parliament would merely retain the powers it already had. Would the position of the European Commission vis-à-vis the Council be strengthened by the resolution? It seemed that it would not. The Finance Minister, Mr. Witteveen, said there would be no change in the budgetary rights of the people's representatives in the first phase. That would be the case in the final phase. But at that stage Treaty amendments and other constitutional changes would be necessary; these could naturally not be brought about without the approval of the States-General. In addition the Minister felt that more frequent discussions would be necessary in future between the Government and Parliament on European policy than was now the case through annual discussion of the report of the European Communities on the previous year's activities. This would prevent the Government being placed in the invidious position of having to implement decisions reached in advance. The question as to whether the powers of the European Commission would be increased could not yet be answered. The Dutch Government was certainly attempting to obtain provisions to that effect in the resolution.

The desire to have the national budget presented at an earlier date was described by the Finance Minister as completely premature from the standpoint of harmonization in the framework of attempts to establish economic and monetary union. In the European Community arrangements must be made for all Member States at an identical date so that for the present the outcome of the discussions must be awaited before making changes in the Netherlands.

The resolution was drawn up with the cooperation of the Government representatives because the preamble refers to amendments to the Treaty which the Council as such is not competent to introduce.

Finally the Secretary of State for Foreign Affairs stated that the Governments of the four countries with which negotiations were now in progress on accession, did not consider the content of the resolution to present any obstacle to their membership. Naturally it was not known what their attitude would be to the content of the second and final phases.

In the long run all Member States would recognize that supranationality was the only practical way of bringing about an economic and monetary union. The resolution gave no certainty as regards the granting of real powers to the European Parliament. On the other hand it contained no provi-

sions which would make the granting of such powers any more difficult. Mr. De Koster considered the efforts to bring about a monetary union could be a breakthrough in providing real powers, because of the guillotine clause. The Dutch Government would, he believed, use this clause at the end of the first phase in 1975 if no agreement had then been reached on the powers of the European Parliament. No Dutch Government could accept a monetary union without genuine control by the European Parliament. However improbable it was that this matter would not have been satisfactorily settled by 1975 - five of the six Member States were already in agreement - the absence of a satisfactory settlement for the European Parliament would tend to outweigh all that had now been agreed on economic and monetary cooperation.

(1970-1971 Session, Doc. 11 146 No. 3, Report on Discussions)

5. Report on the discussion between Mr. Westerterp and the special committee of the Second Chamber on the bill for direct European elections

On 26 April a report was drawn up on the discussion that took place on the special committee in preparation for the public consultation on Mr. Westerterp's bill for the provisional settlement of the nomination of the Dutch members of the European Parliament on the basis of a general election.

At the beginning of the discussion, two new factors of interest in assessing the bills were put forward.

(a) On 27 March 1971 the Benelux Group's Consultative Inter-parliamentary Council accepted a recommendation by general agreement containing the following passage: '... calls explicitly on the three Governments to bring pressure to bear in the Council of the Communities to introduce direct general elections for the European Parliament in compliance with Article 138(3) of the EEC Treaty and - failing any agreement between the six Governments - to press for direct elections, as far as possible in compliance with the uniform system to be adopted in the EEC countries, in particular the Benelux countries, that are ready to hold such European elections.'

(b) The Political Affairs Committee of the European Parliament decided to invite the various M. P. s in five of the six Member States, who have taken the initiative and put forward bills on the European elections, to a talk on possible coordination.

On the special committee it was asked whether the decision referred to under (b) taken by the Political Affairs Committee was not yet a sufficiently good reason to put the bill to the European Parliament as an opinion.

Mr. Westerterp thought that the Political Affairs Committee's move did not affect the argument that he had put forward in his memorandum against consultation about the basic issue. But he thought it desirable that the Parliament should be consulted about the timing of its entry into force.

The members of the special committee who had already stressed, in their draft report, the negative aspect of holding European elections solely in the Netherlands, regretted that the sponsor had not accepted their suggestion to include appropriate clauses so that these elections could take place in at least a few of the Member States simultaneously. If Article No. 6 were also accepted in its new version, they doubted whether the coordination would be successful.

Mr. Westerterp agreed about the desirability of achieving maximum coordination with as many other Member States as possible. The advantage of the new version of Article 8(1) was that it would leave the future legislator completely free to achieve the greatest possible coordination. If, in due course, agreement was reached with a number of Member States, there was already this provision in Article 6(2). If agreement was not yet reached, then the future legislator would, under Article 8, be free to do as he thought fit. If later it appeared that the law did not fit in entirely with the system to be applied in other countries, then it and the implementing law could always be amended. It was unlikely that this would be necessary because the text of the law allowed for flexible application. If no country lays down a legal basis there is a danger that we shall be left waiting for each other forever.

On the Committee it was pointed out - and the argument that one country had to take the first step was taken into account - that the Dutch Parliament would find it difficult to pass a law in the knowledge that this matter was in the pipeline in other countries. If talks with those taking the initiative in other countries produced some practical result, then the bill would have a much greater impact on the general public. It will be asked: when is the impact greater - when the bill is there as an example or when it is cut-and-dried and hence nationally screened and simply waiting to be put into effect?

Mr. Westerterp replied - and some of the members of the special committee concurred - to the effect that in other Member States similar bills had been on the table for many years; until these were discussed and agreed

on it was meaningless to discuss their impact. What was necessary was an explicit statement by the Parliament in the form of approval for this proposal. Then again it was up to the legislator to decide about its introduction.

On the Committee a proposal was made about the possibility of a public debate to take place in the near future and to postpone the final vote until the point about the coordination consultations is cleared up. It would not be desirable to have to amend the implementing law within a short time by adding clauses to suit circumstances that were already apparent when the law was at the discussion stage. Great political importance was attached to coordinated legislation on this point in the Benelux context, especially now that the consultative Inter-parliamentary Benelux Council had adopted unanimously a recommendation to this effect. On the other hand there were objections to holding a public debate in the near future and to leaving the final vote till later: what mattered was to get an agreement on the principle from the Chambers.

Mr. Westerterp added that it would be wrong to imagine the coordination consultations would be particularly difficult. The only point of difference was that Germany wished to couple European elections with elections to the Bundestag, whereas in other countries where the initiative had been taken there was a preference for separate European elections.

The special committee had looked particularly into the proposal - put forward in Germany and in Italy - that the number of members of the national Parliament be increased by a corresponding number of members of the European Parliament so that their members of the European Parliament would be freed from their national parliamentary work. It realized that however attractive this idea might be, it would not be implemented within the framework of the bill: it would involve changing the constitution, simply to resolve a temporary problem. It was also pointed out that the numbers of members in both Chambers had been increased by half in 1956 on the grounds that so many had parliamentary commitments at the international and supra-national levels. As was pointed out, overloading the Members of the European Parliament was not only a purely physical problem for those concerned; it was also a political problem of the first order. Membership of the European Parliament necessarily implied that certain national parliamentary tasks had to be neglected - not only within the Chambers but above all regarding contacts with the electors. More than once an active member of the European Parliament had stood down as a candidate for one of the Chambers because he had become a 'back number' in the national context. It was no solution to say that the Groups should free them from these tasks. It was important to stress now, when the bill was still at the preparatory stage, that the legislator must not overlook this point.

6. Mr. Witteveen, Finance Minister, on the monetary crisis

Mr. Witteveen, Finance Minister, told the Second Chamber that the Government's view was that at present there was no fundamental imbalance in the Dutch balance of payments and that therefore there was no reason for any permanent measure in the form of a change in the parity of the guilder.

It was his view that the temporary floating of the guilder should be sufficient to check the inflation that was having its effects on the Dutch economy from the outside. In view of the fact that the period during which the parity would be free to find its own level was only expected to be of limited duration, the effects on employment would be barely noticeable. The consequences for the European Economic Community and for monetary integration would, he thought, not be serious; similarly he did not expect it to affect the accession of new members to the Community. Moreover it did not seem likely that the developing countries would be harmed by the short-term floating of the guilder and Deutschemark.

He further stated that measures to prevent any repetition of the financial crisis should not be restricted to the Community.

During the debate in the Second Chamber the Minister explained that the time when the period of a free floating guilder could be ended would depend on how other measures that would have to be taken in the EEC in order to bring the international capital flows under control actually worked out.

With this statement the Minister dealt with the argument that Mr. Drees (Democrats '70) had put forward for a revaluation of the guilder.

He was, however, the only member of Parliament who regarded the revaluation of the D-mark and guilder as inevitable if there was no change in the fundamental imbalance in the American balance of payments. 'When Germany revalues then the Netherlands will have to move in the same direction. If we do not do this we shall in fact be devaluing the guilder and increasing the tensions in our internal economy.'

Mr. Drees found revaluation preferable to a rise in wages. He considered that the balance of payments deficit had originated through inflationary spending. The increase in costs was relatively less significant in view of the growth of exports.

Mr. Witteveen recognized that costs developments in the Netherlands were not yet so unfavourable in relation to the outside world. But the deficit on the current account in the balance of payments allowed for no revaluation. He said that special measures were needed to control the Euro-dollar market. This market, which had been so far wholly beyond the grasp of the monetary policies of the national States, formed a core of inflation which, in recent years, had added ten to twelve thousand million dollars per year to already abundant liquidities. In Basle the central banks were now looking into how the Eurodollar market could be kept within bounds. He agreed with the members of the Chamber who advocated that the EEC countries had first of all to work out a common standpoint so that they could jointly negotiate with the Government of the United States about a solution to the problem of the American balance of payments. Mr. Witteveen was not so optimistic about the results of the meeting. In his view the United States would need to finance its deficit in some other way than through dollars available in Europe, for example through the International Monetary Fund.

(Handels & Transport Courant, 25 May 1971;
Nieuwe Rotterdamse Courant-Handelsblad, 26 May 1971)

New Zealand

New Zealand's Prime Minister visits Paris

On 26 April 1971 Sir Kenneth Holyoake, Prime Minister of New Zealand, was received by Mr. Maurice Schumann, Minister for Foreign Affairs, and Mr. Georges Pompidou, President of the Republic.

Following the talks Mr. Kenneth Holyoake stated: 'I explained to the President of the Republic the disastrous consequences that Britain's entry into the Community of the Six would have on our country if no provision were made for us. For us it is a matter of life and death.

Our country is the world's largest exporter of butter and milk and its economy would be stifled if the Six were to decide overnight to give us no further support - through special arrangements - to market our agricultural products. Mr. Pompidou, whom I find is quite familiar with these problems, seems to have understood our concern. No practical decision was taken but I am still optimistic, despite the difficulties.'

(L'Aurore, 27 April 1971)

Norway

Statements by Foreign Minister Cappelen to the Storting on Norway's accession to the Common Market

On 1 June 1971, the Norwegian Government presented a detailed report to Parliament on the state of negotiations on the enlargement of the EEC. It states in this report that membership must be dependent on satisfactory arrangements for agriculture and fisheries and suggests that fishing rights should be reserved within specific limits to fishermen who are resident in the coastal zones concerned.

In rejecting two motions on 17 June, the overwhelming majority of the Norwegian Parliament decided clearly in favour of Norway's accession to the EEC. After a two-day debate Parliament rejected by 113 votes to 37 an application by the Centre Party to break off negotiations with the EEC. The Party wanted membership of the EEC to be replaced by a trade agreement between the European Community and Norway.

A motion by the Left-Wing Liberals and Christian People's Party calling for an examination of other forms of cooperation with the EEC in parallel with the continuation of negotiations on entry in Brussels was rejected by 94 votes to 55.

In the same debate the Foreign Minister, Mr. Andreas Cappelen, made a speech from which the following extracts are taken:

'At a Norwegian meeting of deputies on June 8, a memorandum on the market organization for fisheries products was submitted. In Norwegian quarters there is a desire to assist in an effective stabilisation of the fish markets in an extended Community. But various changes in the present set-up will be necessary; among other things it is important that all sales of fish should be carried out through the producers' organizations. Norway requested that the Commission should also be entrusted with the task of evaluating the market set-up in the light of the Norwegian proposals that had been submitted. It was confirmed that this will be done.

At the same meeting, the Norwegian delegation submitted a memorandum requesting a transitional set-up for rules of establishment. The purpose of a transition period of this kind is to utilise it to implement the necessary internal protective measures which would ensure that important Norwe-

gian industrial interests are not made the object of undesirable acquisition by foreign firms. Let me emphasize that our system of concessions will be maintained after the expiry of the transitional period too...

The original provision in the Treaty on a majority resolution as the dominant element in the decision-making process was, as we all know, substantially modified already by the Luxembourg compromise of 1966. During the ensuing years the rule of unanimity has been firmly incorporated and may today be regarded as a rule based on custom. Today discussions on all important matters in the Council are conducted until unanimity has been achieved, and it is difficult to imagine this well-established practice being changed. This was firmly emphasized in connection with the meeting between Heath and Pompidou, and as revealed in Heath's statement in the House of Commons on May 24 there was agreement between those two that the "maintenance, strengthening and formulation of cooperation in a community of this kind demands that resolutions must be unanimously adopted whenever the vital national interests of one or several member countries are affected." According to the statement made by the British Prime Minister this is completely in agreement with the interpretation he had long entertained. "In the same way as the history of the Common Market clearly proves, it provides an assurance that joining the Common Market does not involve the loss of national identity nor an undermining of essential national sovereignty." It was furthermore emphasized that the Council of Ministers is the body that will make decisions in future, and that "the process of adjustment would not take precedence over essential and national interests."

There is in other words an expressed desire on the part of leading politicians within the Community and among applicant countries that the identity of national States should be maintained within the framework of a Community in development. One consequence of this is that the responsibility for all resolutions of particular importance is presumed to lie with the representatives of the governments of the individual member countries and not with the Community's independent institutions. This means that the Commission will not be able to make any binding resolution over the heads of individual member countries.

In Norway's case membership of the European Community, even though in certain fields it would limit the formal decision-making authority of Norwegian political organs, would not entail any real loss of sovereignty, but it would mean that Norway, in cooperation with other countries, will achieve control or a better check on circumstances which were formerly determined from outside, or which hitherto have not been subject to any State decision-making authority.

In my opinion, however, the problem of democratic control must be given considerable emphasis in an enlarged Community. It is essential that the European Community should be a democratic association and that it should safeguard the democracy that exists. But this democracy must be further developed, it must be given new forms and an extended sphere of action. Unless it is firmly anchored in democratic aspirations and democratic aims the Community will gradually lose its vitality. As a member of an enlarged Community Norway will in this respect have a clear responsibility to bear.

With regard to the various spheres of cooperation which are dealt with in detail in the report, the Ministers involved will deal more specifically with the current problems. I refer you in particular to the Minister of Trade's statement on the subject of economic and monetary cooperation.

In conclusion I shall quite briefly deal with the cooperation that has been initiated in the field of foreign policy between the EEC countries on the basis of the so-called Davignon report. In accordance with the report the Foreign Ministers of the EEC countries are to meet at least twice a year for consultations on questions of foreign policy. The meetings of the Foreign Ministers will be prepared by senior civil servants who will meet every quarter. The establishment of permanent institutions for the purpose of cooperation has not been proposed. There is no question of transferring authority to joint institutions.

The report was submitted for comment to applicant countries before it was adopted on October 27 1970. All applicant countries were agreeable to the recommendations contained in the report. The Borten Government signified its acceptance of cooperation of this kind on September 30 1970.

The Foreign Ministers of the EEC countries have held their first two meetings on the lines contained in the report. In connection with these meetings, in accordance with the report, exchanges of opinion have taken place on questions of foreign policy between the EEC countries and the Foreign Ministers of the applicant countries, most recently in Paris on May 18 of this year. At these meetings all the Foreign Ministers present have taken part in the preliminary discussions that have been held on a non-committal basis.

The foreign policy consultations that have been inaugurated among the EEC countries are prompted by a growing recognition of the fact that West Europe must assume a greater share of responsibility for the development in relations to East Europe and in relation to the world at large, particularly with regard to the developing countries.

There is general agreement among all EEC countries that a close link exists between West European cooperation and the opportunity of pursuing an active policy vis-à-vis the East. The trend among the EEC countries is for this reason an important part of a larger overall pattern embracing the whole European continent, in which the EEC will constitute an important element in a future pattern of pan-European cooperation. '

(Communication from the Norwegian Embassy in Brussels;
Die Welt, 1 and 22 June 1971)

Portugal

Portugal and the EEC

In an interview published in the Spanish daily 'La Vanguardia Española' on 20 June Mr. Pintado, Portuguese Minister of Trade, discussed relations between Portugal and the EEC.

With regard to the Spanish proposal to create a free trade area between Spain and Portugal, he said that until the details of the agreement on the negotiations with the Common Market were known, it would be difficult to say precisely what the basis for discussions with Spain would be. However, despite the fact that priority was being given to the agreement with the Community which should come into force on 1 January 1973, the talks would continue to bring their respective Spanish and Portuguese points of view closer so as not to waste twelve months of precious time.

With regard to the negotiations with the Common Market the Portuguese Government was awaiting a reply concerning the preferential agreement which was expected to be concluded by the end of the year. As regards the effects of Portugal's membership of EFTA, the links it had with the EFTA countries would continue to be important: 'Because the operative criterion for the negotiations is that there should be no reduction in the degree of trade liberalization already achieved, it is natural that the attitude adopted at the outset should be similar, with the exception of one or two agricultural products.'

In reply to a question on the overseas provinces and the selling of their products on the new markets, he said: 'We must remember that our overseas provinces do not belong to EFTA; still less therefore do they come within the scope of the present negotiations with the Common Market. They only enjoy the benefits of GATT. 85 per cent of their products are primary products with no right of entry into the EEC or restricted to a maximum quota of 5 per cent. As regards their industrial products, we hope we shall be able to include these in the generalized preference agreements. Thus no difficulty arises over the prices of Portuguese overseas products higher than those in the Common Market.'

Regarding the trade agreements with certain East European countries, the official attitude of the Portuguese Government is outward-looking. If there were any talk of restrictions this would be not a politico-economic but a technical issue because the state-trading principle operates in those

countries whereas Portugal belongs, by tradition, to free trade areas.

(Relazioni Internazionali, No. 27, 3 July 1971)

Sweden

1. Statements on integration policy in the Swedish Parliament

The first major foreign policy debate held in the Swedish Parliament this year on 1 April 1971 was dominated by the EEC question.

Mr. Feldt, the Minister of Trade, expanded on the Government's statement of 18 March to the effect that membership of the EEC was impossible for Sweden. 'Membership of the EEC involves cooperation on foreign policy and approval of the underlying political objectives,' he said. Swedish participation in an economic and monetary union, which signified the renunciation of national freedom of action in important spheres, was not compatible with the Swedish policy of neutrality. Mr. Feldt drew attention to Sweden's readiness to join a customs union for industrial and agricultural products; exports, economic growth and full employment must be ensured by free trade.

Referring to the possibilities of a customs union he said: 'We are ready to take part in a customs union but every solution has its complications. A customs union implies the harmonization of tariffs applicable to non-member countries and in this case Sweden would have to bring its own duties into line with those of the EEC; with one exception - oil - the consequences would not, however, be too heavy for us to bear.' But Mr. Feldt stressed that other problems remained to be solved in connection with the customs union.

In the same debate the Foreign Minister, Mr. Torsten Nilsson, said that the question whether Sweden could enter into a customs union with the Common Market was still unresolved. Trade policy might be given a foreign policy slant and in that case Sweden with its neutral status must retain the right to act independently. At present it was unlikely that this problem would arise but Sweden must not give up its right to intervene. It was not known whether special provisions of this kind could be obtained in a customs union; he could therefore not say at present whether an agreement on a customs union could in fact be concluded.

The opposition spokesmen drew attention to the fact that trade with Eastern Europe and the developing countries was not an alternative to the EEC. The Chairman of the Liberal Party, Mr. Helen, said that the EEC could live without Sweden but the opposite was not the case. If Sweden's relations with the EEC were 'frozen at too low a level' the country's development would suffer. The Liberals accepted the Government's statement as a fact

but now called upon it to come out firmly in favour of a customs union at the very least and to ensure that more information about the EEC was published in Sweden.

Mr. Bohmann, leader of the Conservative Party, believed that the Soviet Union would soon begin to negotiate with the EEC rather than individual countries on major economic projects. The EEC would then have an even stronger voice in the policy of détente.

(Frankfurter Allgemeine Zeitung, 2 April 1971;
Le Monde, 2 April 1971;
Neue Zürcher Zeitung, 2 April 1971)

2. The Swedish strategy of integration

The Swedish Foreign Minister, Mr. Torsten Nilsson, who visited Berne on 8 June 1971 at the invitation of the Swiss Federal Council to establish closer contacts between the two countries, emphasized at a press conference that Sweden was willing to go further than Switzerland. The differences between the initial positions of the two countries were explained by their divergent economic interests. The Swedish Government would not, however, allow its neutrality to be eroded. A common attitude had not been agreed upon: the EEC report was still being examined.

On 21 June 1971 Sweden described the free trade arrangements for industrial products proposed to the neutral States in the EEC Commission's report as a 'good starting point for the forthcoming negotiations.' This was stated in an official communiqué and at the press conference given by Mr. Feldt, the Minister of Trade.

Abolition of customs duties would make for a system of free trade which would also be an important component of any agreement between the EEC and Sweden. Above all the Swedish Government welcomed the fact that, contrary to original fears, the Commission's report did not propose customs exceptions for products processed from wood but set out a number of alternatives for the transitional period. Mr. Feldt expressed the opinion that the Commission's report did not come as a disappointment to Sweden but was in fact a welcome surprise, even if he considered that the document only had an 'exploratory function.' The real work of considering Swedish interests would now begin in discussions between the Governments and the Council of Ministers

of the EEC, without allowing its neutrality to be threatened.

The communiqué therefore mentions once again that Sweden would like a customs union within the framework of close, multilateral cooperation which must be institutionalized and consist of more than mere free trade agreements. Sweden had recently opted for the formula of 'close, permanent and wide-ranging contacts with the EEC.' The communiqué now states that however natural the EEC's ambition may be to maintain its autonomy in reaching decisions, it is still in the mutual interest of the countries concerned to arrive at an agreement which would not only provide for an exchange of information and consultations but also allow a reciprocal influence on the decision-making process in the specific areas where this is necessary. It was perfectly feasible to find adequate, flexible procedures for this purpose which would also allow cooperation to be gradually widened. As regards agricultural products, a study should be made in the negotiations to see whether trade could be facilitated in a manner likely to foster the interests of both partners.

(Neue Zürcher Zeitung, 10, 21 and 23 June 1971;
Handelsblatt, 22 June 1971)

United Kingdom

1. Mr. Rippon, the proposed referendum and the meeting between Mr. Pompidou and Mr. Heath

Addressing the General Assembly of the International Public Relations Association in London on 3 May, Mr. Rippon made the following observations on the question of a referendum which some Opposition members were calling for prior to Britain's accession to the Community:

'The Government believes firmly that it is in our national interest, as well as that of Europe, that we should join if the terms are right.

But it is not easy to give a convincing account of the wider issues while membership remains an uncertainty.

It will be easier to do this if negotiations develop positively.

Yet despite these difficulties, the Government is already doing much to explain what is at stake.

Inside and outside Parliament, my colleagues and I - and those many people of all parties who support our European policy - are giving what information we can.

I am convinced that the British people will respond in their own good time, if they get the encouragement and information they deserve.

At the same time I must explain that the decision whether or not to join cannot be based on public opinion polls.

National policy, and particularly policy which has international as well as national significance, cannot be made by the techniques of market research.

There is another factor here which is of great importance to this country.

Britain has founded its liberties, ever since the Middle Ages, on the representative principle.

This is a parliamentary democracy.

Other democracies though according great importance to parliaments may have alternative traditions.

In Britain any departure from the doctrine of Parliamentary responsibility in deciding national policy would set a precedent which we would all live to regret.

The holding of a referendum on this issue would thus be unthinkable in this country.

You probably know that the leader of the opposition is himself one of the most distinguished defenders of this wise principle.

Ultimately, Parliament - those whom the people have elected to govern - must decide this issue.'

A few days after the meeting between Mr. Pompidou and Mr. Heath in Paris, Mr. Rippon recalled that Britain's attitude to the Atlantic Alliance remained unchanged. On 25 May during a press conference after an official two-day visit to Norway he stated:

'It should be clearly understood that the defence arrangements of Western Europe remain exactly as they are now under Nato, entirely separate and distinct from the question whether or not we enlarged the EEC.'

Earlier he said that defence cooperation within an enlarged Community could be more effectively carried out, particularly concerning procurement and logistics, but there was no question of any change in defence structure or nuclear matters being part and parcel of the negotiations. 'A lot of people have suspected this but there are no grounds for such suspicion.'

Mr. Rippon, hitting out against anti-Marketees, said: 'What I find so curious is that people who claim to be internationalists and look for-

ward to greater influence of the United Nations, nevertheless draw back from the concept of a uniting of Europe and of peoples with common history and heritage in culture and tradition.

What I find so astonishing is the people who claim to be internationalists and who want to build peace, yet wish to remain at arm's length from their own neighbours and allies.'

The talk about a confederation or a federation was a false issue. What Europe was trying to do was to harmonize her policies.

'Those people in Britain or Norway who say that by joining Europe we should be losing our sovereignty, are raising a totally false issue. We can join and still retain our identity, our national traditions and way of life.'

Mr. Rippon was speaking after completing two rounds of talks with Mr. Andreas Cappelen, the Norwegian Foreign Minister and other Government leaders.

Asked about reports that Mr. James Callaghan, the Labour Party Treasurer, had stated his opposition to joining Europe, Mr. Rippon said: 'I have no reason to suppose that Mr. Callaghan has changed the very forceful views in favour of our application which he expressed when he was Chancellor of the Exchequer. No doubt he, like everybody else, is concerned about the terms of entry.'

Answering other questions, Mr. Rippon said the Treaty of Rome was intended to apply for an indefinite period. He said it was not 'dishonourable' to hope for a socialist Europe, but in his opinion, it was a 'great illusion' that a future Europe would be 'socialist, Catholic or marked by any other isms.'

'What we are creating is a European Europe where all voices can be heard.'

(The Times, 27 May 1971)

2. Debates in the Commons after the meeting between President Pompidou and Mr. Heath

A few days after his meeting with President Pompidou, the British Prime Minister reported on the results of his conversations during a debate in the House of Commons on 24 and 25 May. This debate gave Members of the Opposition an opportunity to put a large number of questions.

Reporting on his conversations with the French Head of State, Mr. Heath said in particular:

'Our main area of discussion was the whole field of European policy. It was heartening to discover how close are the views of the French and British Governments on the development of Europe and its role in the world.

Our talks showed that both Governments wish to bring about the development of a united Europe through an enlarged European Community. We do not intend this as a defensive alliance against external threat. We see it as certainly the best means and probably the only means, in the world of today, of guaranteeing peace within Europe, providing prosperity for her peoples, and restoring to Europe that political, economic and cultural influence in the world that her traditions and her potential justify.

We also found an identity of view on the role which a united Europe can play in relation to the problems which face us in other parts of the world, and particularly in relation to the developing countries, where there is so much to be gained from an enlarged Community which included Britain and France could contribute.

We discussed the development of the European Community and the working of its institutions. We agreed in particular that the identity of national States should be maintained in the frame-work of the developing Community. This means, of course, that, though the European Commission has made and will continue to make a valuable contribution, the Council of Ministers should continue to be the forum in which important decisions are taken, and that the processes of harmonization should not override essential national interests. We were in agreement that the maintenance and strengthening of the fabric of cooperation in such a Community requires that decisions should in practice be taken by unanimous agreement when vital national interests of any one or more members are at stake.

This is indeed entirely in accordance with the views which I have long held. It provides a clear assurance, just as the history of the Community provides clear evidence, that joining the Community does not entail a loss of national identity or an erosion of essential national sovereignty.

As to the means by which greater unity and cooperation could be achieved, our primary concern was with the development of common economic policies, in the context of the British application for entry into the European Communities. But we both saw this as the basis for closer political collaboration, if the negotiations for enlargement of the Communities could be brought to a successful conclusion. We had only a brief discussion of defence questions, recognizing that these were matters for the future, after enlargement.

We reviewed the progress made in the Community towards economic and monetary union, following the meeting of the six Heads of Government in The Hague in December 1969. I told President Pompidou that Britain looked forward wholeheartedly to joining in the economic and monetary development of the Community, if negotiations for British accession could be satisfactorily concluded. We both arrived at a clearer understanding of each other's anxieties and objectives in this field; and I was able to dispel any reservations which the French Government might have felt about the British Government's willingness, which my right hon. friends the Chancellor of the Exchequer and the Chancellor of the Duchy of Lancaster have often expressed, to accept the consequences of this development for its own policies.

We agreed upon the need to negotiate suitable arrangements for those members of EFTA who are not applying for membership of the enlarged Community, and thus to avoid the re-erection of trade barriers between them and the Community.

We discussed the problems which would arise as a result of enlargement of the Communities, when the time came to renew the Yaoundé Convention. The House will have noted that our agreement on the need to safeguard the existing rights of present associations under the Convention was matched by our agreement on the need to safeguard the interests of future associates under a new Convention, and particularly of those who would depend largely on exports to the enlarged Community of sugar or other primary products.

Finally, the President and I reviewed the progress of the enlargement negotiations. We did not attempt to reach definite conclusions on issues which fall to be considered within the negotiating conference in Brussels and

Luxembourg. But the President emphasized the importance attached to the system of Community preference and his welcome for Britain's acceptance of this principle immediately upon entry into the Community which had been agreed upon at the last Brussels meeting. I went over the main issues involved in a settlement of Britain's contribution to the Community budget in the years leading up to the full implementation of the Community's system of financing its expenditure. And I emphasized to President Pompidou the importance of reaching satisfactory arrangements for New Zealand. I also explained the difficulties presented for us by the existing fisheries regulation. On all these points, though we did not seek to arrive at final conclusions, President Pompidou's attitude was positive and constructive.'

Mr. Harold Wilson then asked Mr. Heath whether the problems of nuclear defence and of Britain's financial contribution to the enlarged Community had been raised during these conversations. Mr. Heath answered as follows:

'I have told the House that the amount of time which we devoted to the discussion of defence was very small indeed. We both accepted that the position of Britain, within NATO, and that of France, which is a member of the alliance but has withdrawn from NATO, is different. If when the Community is enlarged Europe is, in accordance with its other policies, to develop a defence policy, these matters will have to be discussed at that time, but there could have been no discussion last week at our meeting. As far as nuclear questions are concerned, both France and Britain are nuclear powers, and there was no discussion of any arrangement. I was not asked for any offer; I made no offer; and the matter was left exactly where it stands today..

...I discussed with the President the new proposals on Community financing put forward at the last Brussels meeting. I said that I thought these would help to remove any suggestion that we were not accepting the full system of Community financing which had, after all, been accepted by both administrations. I said that the arrangements for it should not be such as would appear at the end of the period to be too great a burden for us to assume so that there might be a desire to try to change the whole system. It was agreed that the actual arrangements, to be satisfactory, must not place an unbearable burden on the balance of payments or across the exchanges, and that was accepted.'

Another speaker, Mr. Marten, then asked the Prime Minister for his views on the institutional future of the enlarged Community.

Mr. Marten: 'Could my right hon. friend clear up one small point? He said that the Council of Ministers should continue to be the forum, when, at the banquet at the Guildhall in July 1969 he said that Britain would be the first to press for democratic and parliamentary control of the Community. Chancellor Brandt when he was in London said that there should be a European Government in the end. Surely, if Europe is to speak with one voice, as we are told, can it not speak with one voice on this somewhat important matter before we start?'

The Prime Minister: 'My hon. friend began by saying that that was a small point and ended by saying that it was a very important matter. I agree with his last remark rather than his first - it is a very important matter. When I urged that there should be democratic control, I had in mind that Ministers are the representatives of their Governments and they are the ones who take the decisions. They are responsible to their own democracies. But I have also never hidden my view that, were Britain to be a member of the Community, it would be members of this House who would contribute most towards the development of satisfactory parliamentary institutions in Europe.'

On 25 May, Mr. Marten repeated his question, asking the Prime Minister in particular whether he was still in favour of the election of the European Parliament by universal suffrage.

Mr. Marten: 'May I return to the question which I asked my right hon. friend yesterday? Is he now saying that he is against the control of the European Commission by a directly-elected European Parliament, and that it should be left to the Council of Ministers? If so, this is in direct contradiction to what the Germans, the Dutch and the Italians are saying. With this dichotomy of view, is it not important that this matter should be cleared up before we see the terms for entry?'

The Prime Minister: 'The position is quite clearly laid down in the Treaty of Rome, and the Council of Ministers has the responsibility for taking all major decisions. At the same time, the European Parliament, as it at present exists, also has powers, and those have recently been increased in so far as finance is concerned. Our position is that that should be maintained - that the Ministers should be maintained - that the Ministers should take the major decisions. I also agree with the President of France - and this is a view shared by many other European leaders - that no major interest of any nation should be overruled by the other members. This position is quite clear. If there is to be an enlarged Community, and as it develops, it may well be that the European Parliament itself will grow in its power and influence. This has been a democratic process throughout the ages. I repeat that we can make a considerable contribution towards that.'

3. Statements by Mr. Heath and Mr. Rippon to the House of Commons on the accession agreements with the EEC

'At first, we hope that it will be possible to resolve the issues outstanding in the negotiations by the end of this month. As soon as possible thereafter the Government will publish a White Paper setting out in detail the arrangements that have been agreed and the Government's conclusions on whether the arrangements so negotiated are satisfactory and whether they constitute a satisfactory basis for joining the Communities.

The timing of subsequent stages depends upon striking a balance between a number of conflicting considerations. On the one hand uncertainty will persist until Parliament has taken its decision.

We owe it to our partners in the negotiations, to our fellow-applicants for membership, whose decisions will to some extent depend on ours, and to ourselves, to resolve this uncertainty as soon as we can. Moreover, the marketing and investment planning of British industry, and future planning in many other sectors of our national life, are vitally dependent on the decision. It is right that all concerned should know as soon as possible where they stand.

On the other hand, the Government has always acknowledged the need for the whole question to be fully considered and discussed by Parliament and by the public before Parliament is asked to take the decision of principle on it.

Although it is true that the main arguments for and against our joining the Communities have been before the public since the first application for membership ten years ago, it is right that we should take time to consider them in the light of the outcome of the negotiations in Brussels and Luxembourg.

In the light of these considerations the timetable which the Government proposes is as follows -

The House will be invited to debate the White Paper before it rises for the summer recess. The detailed arrangements for this debate will be discussed through the usual channels. The Government envisages that it should be an expository and exploratory debate, on a motion which does not invite the House to take the decision of principle at the end of this debate, though we must of course reserve our freedom of action in the event of any substantive amendment to such a motion.

Then, when Parliament meets again after the recess, there will be a second debate, at the conclusion of which the House will be asked to decide in principle whether Britain should join the European Communities.

In the meantime our delegation in Brussels will continue to negotiate on such issues as still remain outstanding. The aim will be to carry forward these negotiations and work on drafting a treaty of accession so that, if Parliament decides in the autumn that Britain should join the Communities, the treaty of accession can be signed by the end of this year.

This would allow the whole of 1972 to complete what would require to be done before our accession. In parliamentary terms, this would mean that Parliament would be invited to consider and to pass the consequential legislation, which would be substantial, by the end of the session 1971-72. Thereafter the instrument of ratification of the treaty of accession would be deposited, in time for our accession to the Communities to be effective from January 1, 1973.'

After his return from the negotiations in Luxembourg, Mr. Rippon reported about the agreement reached between Great Britain and the six members of the European Communities.

'Briefly, these arrangements will give this country a place in the institutions equal to that of France, Germany and Italy. Certain further details, including our participation in the European Court of Justice, remain to be decided, but I think it is already clear that there will be no difficulty in making arrangements which are perfectly satisfactory to us.

We also reached satisfactory agreement on the problems connected with our entry into the European Coal and Steel Community. In the first place the Community delegation confirmed that it had no intention of calling in question the size or the legal position of the British Steel Corporation or the National Coal Board. We ourselves had never regarded this as a matter for the negotiations. But I was glad to have the Community's statement on the record.

For our part we have accepted the Treaty of Paris and its implementing legislation and have undertaken to remove incompatibilities between our legislation and practices on the one hand and the Treaty of Paris on the other, either before or at any rate very soon after our accession.'

Mr. Rippon went on to refer to the period which would have to elapse between the signature of an accession treaty and the entry into force of the treaty after the completion of processes of ratification here and in the member countries of the Community.

'We have agreed with the Community that in this period joint procedures would be established to ensure that decisions taken by the institutions of the Community took due account of the interests of candidates as prospective members and that consultations would take place before such decisions were taken.

It was perfectly reasonable that the Community on its side should ask for the same procedures to apply to decisions to be taken by the candidate States which might affect their obligations as prospective members of the Community.'

The negotiations had been successful, Mr. Rippon said, but he added: 'There is still plenty of work to be done. We have to reach agreement with the Community on transitional arrangements for our movement to Community policies regarding capital movements, on the European Investment Bank and on the safeguarding of employment in Northern Ireland, on the position of the Channel Islands and the Isle of Man, and, of course, on fisheries.

But the agreements reached in Luxembourg mean that we have now broken the back of the negotiations. We have been able to progress so far because the Community has demonstrated its political will to see the Community enlarged and to have Britain in as a full member.'

Having delivered his statement, Mr. Rippon was asked by members of parliament about the consequences of a possible entry.

The leader of the opposition, Mr. Wilson, wanted to know more about the costs of entry:

'Recalling the White Paper on estimated costs and benefits of February 1970 when there was a very wide spread of estimates because of

assumptions that could not be clarified then, is Mr. Rippon now able to say that since many of them have been clarified, particularly by negotiations and by the Six among themselves, he will be able to give a narrower range or a single figure ?

While we all recognize that New Zealand has obtained the best terms that have ever been granted to any third country by the Six, he will surely recognize that to Britain, New Zealand has never been regarded as a third country.

Recalling that on Monday, in the obviously rough set of exchanges, the French were heard to say that Mr. Rippon did not understand the Common Market if he wanted to continue permanent arrangements with New Zealand, have we the right to permanent arrangements with New Zealand ?'

Mr. Rippon answered:

'Certain comments were made in the course of the negotiations on and off the record. But it is clear that the original text of the Community which was unacceptable to us has been drastically changed, so that it is now acceptable to us and New Zealand, subject only to this question about price.

New Zealand is not, of course, for us a third country and we have always had the closest possible trading arrangements with her. Under this agreement New Zealand earnings will be at a far higher average rate than when they were dealing directly with us. We have always had negotiations. Every trade agreement of this kind has to be re-negotiated at a certain point over quantities and price levels. This we have agreed to do, but the principle of continuity is built into the agreement.

There will have, of course, to be a general agreement between all the parties but it will be dealt with in the Community whether they are problems which concern us, any other country or New Zealand.

So there is a similarity of treatment in the final analysis in the review procedure, as arises in every other case.'

Coming back to the first question, he answered:

'I do not know if you can ever get absolutely precise figures for a period so far ahead as 1977. When we are in the Community we will have an interest in changing the size and the shape of the budget so that we have more spent on regional and industrial policies which are of interest to us.'

The Conservative M.P., Mr. Tapsell, mentioned the future political structure of the enlarged Community:

'It is a matter of agreement between the British Government and the governments of the Six that if we enter we will be entering an organization which will in its political form for the foreseeable future be confederal and not federal.'

Mr. Rippon answered:

'I believe the President of the French Republic was right when he said that at this stage to talk of a united Europe, to talk of confederal or federal, is unrealistic. We will go forward step by step with realism.'

What it develops into is not a matter we can take a decision about today. People vary in their ideas as to how fast progress should be.

All these matters will be fully inside our control when we are inside the Community and nothing like a constitutional change of that kind could take place without the unanimous agreement of all the members in the Community.'

- Mr. Orme (Labour) believed, that the terms of the Luxembourg agreements would be a disaster:

'Can Mr. Rippon tell the British people when they will have to pay out of their own earnings and production for the next five years hundreds of millions of pounds, and when they will have to pay extra for New Zealand products which they now get by Commonwealth preference ?

When are the benefits supposed to start ? We have got five years now of penalties. When will the benefits begin to start ?'

Mr. Rippon answered:

'They can only start when we join the Community. They will start then and be manifest at a very early date. Wise people have said that when you are considering the balance sheet, joining the Community or not, it is important to consider the cost in lost opportunities if we fail to join.

The opportunities which will be afforded to British industry when we join the Community are tremendously important to everyone who works and earns in British industry.

When we begin to harmonize our policies with the Community, bear in mind that although there may be some problems of harmonizing some food prices, social benefits and pensions in the Community, as a result of the growth they have generated, have risen considerably above our own level.

I hope that when Mr. Orme and others put to constituents some of the difficulties, they will not forget to emphasize the enormous opportunities. We talk about the price of butter, let us not confuse it with our sentiment for New Zealand.

If people are really concerned that New Zealand should prosper and New Zealand farmers get a fair deal, they must not complain if the latter get a higher price for what they produce.'

(The Guardian, 18 and 25 June 1971;
Financial Times, 18 and 25 June 1971;
The Times, 18 and 25 June 1971)

United States

1. Secretary of State Rogers discusses the United States' European policy in his report to Congress (27 March)

On 27 March 1971, Secretary of State Rogers, presented a report to Congress entitled 'American foreign policy: a new unity and purpose'; the first chapter deals with European problems and states in particular:

'Collectively, in NATO, the allies have made European reconciliation a major objective. In our own policy we too are seeking to improve

relations not only with the Soviet Union but also with other Eastern European States, dealing with them individually and taking into account each state's distinct aspirations and attitudes.

Our goal is a healthier relationship between the states in Eastern and Western Europe, a relationship of increased security, greater trade, freer movements of people, and open exchange of information.

The question is whether we can translate this goal into concrete progress. The effort should be made; we are supporting practical measures to test the prospects.

Among the most important of these is the series of steps initiated by the Federal Republic of Germany to improve relations with the U.S.S.R. and the countries of Eastern Europe and to lessen the tensions caused by the continuing division of Germany.

I expressed our support for this approach during a visit to Bonn in December 1969. The conclusion of satisfactory agreements between the Federal Republic and its Eastern neighbours, including East Germany, would, we believe, enhance prospects for reducing the barriers that still divide the continent.

Unfortunately on the most critical issues arising from the division of Europe - the status of Berlin and relations between West and East Germany - there has so far been little progress.

Since early 1970 the United States, the United Kingdom, and France - in consultations with West Germany - have been negotiating with the Soviet Union on secure, unhindered civilian access to Berlin, improved circulation and communication within and around Berlin, and Soviet acknowledgement of the existing ties between Berlin and the Federal Republic. These talks have not yet produced any substantial result. Our efforts are continuing, and in February of this year we and our allies introduced comprehensive proposals.

The Federal Republic's effort to achieve a modus vivendi with East Germany also remains in preliminary stages.

Apart from Berlin, we believe that the most concrete approach towards improving security relations in Europe at this time is through a "mutual and balanced" reduction of NATO and Warsaw Pact forces, a NATO objective

since 1968. In 1970 we joined our allies in approving principles to govern such a reduction and in urging the countries of Eastern Europe to join in preliminary talks.

Although the Warsaw Pact subsequently expressed a willingness in principle to discuss reductions of "foreign" (but not indigenous) forces, it sought to postpone discussion until after a conference on European security had been held. In response the NATO allies again urged the desirability of early exploratory talks. We have also indicated that a satisfactory conclusion of the Berlin talks will be central to NATO's appraisal of the utility of a broader security conference - even if the agenda proposed by the Soviet Union were to deal with matters of serious significance to European security, which it does not now do.

Meanwhile, changes in the European situation do not justify unilateral reductions in Western defense capabilities. In recognition of this conclusion, NATO in December approved a new policy of strengthening European contributions to the collective defence. At the same time President Nixon stated that, given a similar approach by our allies, the United States would maintain and improve its own forces in Europe and not reduce them unless there was reciprocal action from our adversaries.

Our European allies are able to assume greater military and economic responsibility because of their increasing economic strength and their renewed movement toward political unity. If any one development can be singled out as the most important in Europe in the last two years, I believe it is the impetus toward Western European unity supplied by the negotiations to enlarge the European Economic Community to include the United Kingdom, Denmark, Norway and Ireland.

As the Common Market enlarges, a production and consumption areas comparable to the United States will be created, Europe's economic growth will be further accelerated, and the prospects of closer European political cooperation will be enhanced. An already strong Western Europe will become an even more powerful and selfconfident participant in the political, economic, and security affairs of the world.

The Administration firmly and unequivocally supports this process of European integration. We support it because we are confident that the people of Western Europe and the people of the United States share the same values and that European and American strength can only supplement each other. We support it even though we recognize that the process of integration may produce some economic dislocations and disagreements between us as Europe develops new economic policies and as our economies adjust.

It is axiomatic that the United States desires close cooperative relations with our friends and allies and with nations which have recently achieved independence.'

(USA Documents Public Affairs Office United States Mission to the European Communities)

2. Enlargement of the EEC would, in the opinion of the US Assistant Secretary of State for Economic Affairs (2 April), for the first time merge all the major West European powers into the same political and economic system

'Enlargement of the European Community would for the first time bring all of the major Western European powers into the same politico-economic system.

This is the primary importance of enlargement, says Nathaniel Samuels, Deputy Under Secretary of State for Economic Affairs.

Mr. Samuels assesses the implications and effects of a wider Community in the latest of a series of policy papers published April 2 by the New York University Center for International Studies.

When the four applicant nations have joined, the State Department official says, the enlarged Community "can develop an authentic Western European identity both in the political and economic spheres", and while admission of the four is not likely radically to alter the fundamental character of the Community, "by virtue of their political and economic traditions they cannot fail to influence its future development."

He declares that while entry of the four may not bring about a change in the basic institutional structure of the Community, or the common agricultural policy as policy, it might bring new efforts to overcome the problems of high agricultural prices, high support costs and large surpluses. What impact the new members would have on other Community policies yet to be developed remains to be seen, he adds.

Some consequences are already clear: In addition to swelling the population of the Community, GNP would increase from an equivalent of

425 thousand million dollars to an equivalent of 562 thousand million dollars. The Community's 28 per cent share of world trade would go to 36 per cent, making it the world's largest single trading unit.

All of this, Under Secretary Samuels points out, would increase even further if the other EFTA nations establish special economic relationships with the Community.

Noting the difficulty of estimating the dynamic growth effects of enlargement on the Community's domestic production and growth of income and on its external trade, Mr. Samuels declares that removal of trade barriers between the Six and the new members should significantly increase competition among them.

"Thus, the share of an enlarged Community in world trade, and its weight in commercial, agricultural, investment and monetary policies should increase.

This being so, it seems reasonable to hope and to expect that the responsibility incumbent on an enlarged Community for the growth and stability of the world economy and for the pursuit of liberal economic policies to achieve that end would become ever more manifest", he says.

...As for the effects of enlargement on the United States, Mr. Samuels discusses in some detail problem areas that can presently be foreseen - such as pertain to non-tariff barriers to trade, international monetary agreements, the flow of capital and the production of multinational corporations, agriculture, and others.

Despite areas of possible conflict, the Under Secretary says, the American belief remains that closer European unity is "in the interest of the United States and of the whole community of nations, as well as of the Europeans themselves".

The economic strength and cohesion of the Community, he adds, will continue to increase, particularly with enlargement, and as a consequence its power to pursue particular economic policies will also increase.

'The areas of potential cooperation between the two sides of the Atlantic may be enhanced, but so, also, may certain areas of disagreement

or divergent interests.

On many of these latter questions neither the United States nor the Community will be able unilaterally to determine the solutions. Both will have to seek common, outward-looking remedies that will reflect their mutual interests as well as their need for an orderly development of the world economy. Both, therefore, must be prepared to rethink and to modify some aspects of their present policies.'

(USA Documents, Public Affairs Office, United States Mission to the European Communities, 6 April)

II. PARTIES AND PROMINENT POLITICIANS

1. Europe and foreign policy in the election programmes of the Dutch political parties

Joint programme of the Catholic People's Party, the Christian Historical Union and the Anti-Revolutionary Party

The European Community must be on a larger scale and not only in social and economic terms; it must also be made politically stronger and more democratic. In view of Europe's international responsibilities, and hence obligations, a greater effort should be made to achieve an open and outward-looking Community. Common European socio-economic, trade, monetary, regional and foreign policies are needed; similarly, the position of the European Commission and of the European Parliament, which should be directly elected, should be strengthened.

The Netherlands must make an appreciable contribution to an international development strategy so that the poor countries can stand on their own feet within a foreseeable period. This should be done (i) through trade policy measures, (ii) by the rich countries adjusting their own socio-economic structure and (iii) through a further increase in the financial and technical development assistance given by the Netherlands, which should be dovetailed with such private activities as those of missions.

An attempt should be made to double the total contribution available from public funds during the next cabinet period, so that by 1975 a total level of approximately 1750 million guilders is reached.

The idea of a separate Western European nuclear power in addition to the United States should be rejected but a fresh effort should be made to coordinate the national British and French nuclear capabilities as part of NATO's strategy.

The Netherlands ought to take the initiative to improve East-West relations, both independently and together with other European countries.

The A. R. P. (Anti-Revolutionary Party) is pressing moreover for the division of responsibilities between Council and Commission to be re-

established and for the decision-taking procedure to be brought into line with the terms of the Treaty of Rome.

Labour Party

The European Communities would have a democratic structure. The European Parliament would be directly elected and get legislative and full budgetary powers and a right of veto over the appointment of the members of the European Commission. The European Commission would get more powers. The Council of Ministers would take its decisions publicly by a majority vote.

The Netherlands would endeavour to establish as soon as possible standing European consultations on security to bring about a mutual reduction in armaments and curtail the risk of war; it would also help to organize talks so that an all-European peace treaty can be concluded and a non-aggression-treaty signed with the Warsaw Pact countries.

The Netherlands would try to normalize relations between East and West by:

- a) stepping up cultural and economic relations with East Europe;
- b) recognizing East Germany in international law;
- c) giving support to the efforts to bring the status of West Berlin into line with the wishes of its citizens.

The Netherlands would be ready to enter into a European security system with the NATO States together with the Warsaw Pact countries. The nuclear threshold would not be lowered. Europe would get no atomic power of its own and the Netherlands would advocate phasing out those of France and the United Kingdom. The enlargement of NATO to include such non-democratic countries as Spain would not be acceptable, nor would the enlargement of the Treaty area. The Netherlands would call for the removal of both Greece and Portugal from the NATO Council. Failing this, the Netherlands would still exert maximum political and economic pressure in the interest of democratic relations. The Netherlands would refrain from supplying weapons to Portugal and Greece.

The European Communities would be enlarged to include the United Kingdom, Ireland, Norway and Denmark and the other democratic countries of Europe which subscribe to the aims of the EEC. The enlargement of the EEC to include the United Kingdom should not be effected at the expense of support

for the poor countries. On the European Council of Ministers decisions must be taken on a majority basis. Portugal and Spain cannot be members of the EEC, nor can they be associated with it as long as there is no democratic system in these countries. The application of the Association Agreement with Greece has been suspended.

As the largest trading bloc in the world the EEC should pursue a policy directed at enlarging the marketing opportunities in Europe of the developing countries, particularly through the application of a world-wide system of preferences for the products of these countries, including manufactures.

The sugar agreement should be signed by the EEC at once.

The procedure for frontier checks on goods and commodities should be the same in all the EEC countries.

People's Party for Freedom and Democracy

An improvement in relations between East and West, particularly through (i) participation at a European security conference, (ii) an inquiry into the possibilities of establishing a permanent body to keep up contacts which would, inter alia, prepare multilateral negotiations, and (iii) a mutual reduction in conventional and nuclear expenditure.

The German question should be tackled within the framework of the Alliance as part of an improvement in relations between East and West.

The People's Party for Freedom and Democracy supports the Ostpolitik pursued by the present Socialist-Liberal Government of the Federal Republic. That means that it is now the turn of the Government of the German Democratic Republic to take the next steps towards a further détente. This would include humanizing relations between East and West and settling the status of West Berlin. This could involve the recognition of the German Democratic Republic in international law.

To do everything which is possible to promote democracy in those countries where there is none. Rejection of any discrimination based on race, colour, religion, sex or language.

Promoting European integration through:

- a) enlargement of the EEC to cover as many as possible like-minded European countries;
- b) stepping up cooperation between the present EEC States;
- c) promoting political and military integration;
- d) an anti-protectionist attitude in relations with the rest of the world;
- e) democratizing the internal structure of the European Communities;
- f) giving a directly elected European Parliament real budgetary and legislative powers;
- g) strengthening the position of the European Commission;
- h) getting the Council to adopt the majority principle in their decisions and introducing the principle of taking decisions publicly;
- i) consolidating the links between the liberal parties of Europe.

Only by being more united can Europe play its future role in world affairs, particularly in promoting peace and the development of the backward countries.

The promotion of fiscal harmonization in the EEC, particularly in order to prevent competition distortions.

A policy for industrial structures - in the EEC too - directed at promoting the growth of the economy and also including environmental health. The Government should make capital available from its own sources (shares in enterprises, etc.) and make additional funds available for the promotion of this structures policy.

To combat competitive distortions at the EEC level through the EEC and other countries; if necessary to take the counter measures to protect our national interests.

Democrats '66

Under present circumstances the policy that the Netherlands has pursued with regard to agricultural problems in the EEC can be broadly supported. In the near future an attempt must be made to achieve greater harmonization in the field of competition, particularly through the harmonization of fiscal legislation, social security provisions, transport policy and subsidy policy in agriculture. European price policy should be related to the cost levels of efficient modern farms.

This policy, including structure policy, must offer the farmer the same potential income as operators in other sectors. For this purpose and for the purpose of guaranteeing developing countries an equal, increasing share of the EEC market for agricultural products, Democrats '66 are in favour of 2,500 more farmers leaving the land. This should be accomplished through compensatory measures. In addition to financial compensation from the Agricultural Reorganization and Redevelopment Fund, there should be better arrangements for retraining those who want to leave agriculture.

Development of the European Community Market into an economic and monetary union, which should be achieved by 1980.

The supranational character of the Communities should be strengthened. The Luxembourg Agreement of 1966 should be annulled: the European Council of Ministers should accept the procedure of taking decisions by a majority of votes as laid down in the Treaty of Rome, and the independent position of the European Commission should be recognized.

The democratic character of the Communities must be strengthened. Full budgetary and legislative powers for the European Parliament; the powers of the European Parliament to be extended to external policy and defence. The European Parliament should be directly elected. If we are to get out of the dead-end in which we have been for years, these elections should not yet be held at the European level.

Appointment of the European Commission by the European Parliament.

The enlargement of the Communities to include the applicant States of the United Kingdom, Norway, Denmark and Ireland.

Proposals for changes in the Treaties of the European Communities, whereby the powers of the Communities would be enlarged to include regional planning, the care of the environment and international development cooperation. The enlargement of the European Commission may perhaps be necessary for this purpose.

Rejection of a separate European nuclear power. Speedy conclusion of an agreement between Euratom and the International Atomic Agency in Vienna on control over the observance by the EEC States of the non-proliferation Treaty.

Establishment of a standing consultative body to supervise preparations for a European security conference. This should comprise all future members of a European security conference, i.e. it should include the United States, Canada, the Soviet Union and the German Democratic Republic.

The opening up of the EEC market to the industrial exports, i.e. manufactures, semi-manufactures and processed agricultural products, of the developing countries through their participation in a generalized non-reciprocal preference system.

Giving the developing countries the right to have their say when the EEC frame their farm policy, particularly regarding the scale and composition of agricultural production in the EEC and the markets and prices policy; the FAO should be given a chance to attend the appropriate meeting of the European Council of Ministers and express its views on the relevant proposals both there and at public hearings in the European Parliament.

Proposals at the EEC level on the complete implementation of the proposals on restructurization. An effort should be made to achieve a gradual restriction in the production of sugar-beet in the Member States. Guarantees should be given to the developing countries that they will have an increasing share of the EEC's agricultural products market.

Communist Party of the Netherlands

- A drastic curtailment of the EEC's expenditure.
- An immediate stop to the forced liquidation of agricultural enterprises.
- No implementation of EEC provisions that conflict with the interests of the Netherlands.

- Absolute rejection of a 'European nuclear power'.
- Collective security in Europe.
- A de facto recognition of the German Democratic Republic as a first step towards full recognition.

Socialist Pacifist Party

The Socialist Pacifist Party favours large-scale agricultural enterprises in the interest of producers and consumers, but rejects both capitalist large-scale enterprises and forced collectivization as a way of achieving this aim.

It considers that the European Communities are unacceptable in their present form. They serve to hold back socialist developments in the individual Member States and they encourage monopolies and the formation of a power bloc in relation to the second and third world. Hence the Socialist Pacifist Party is against the enlargement of the Communities to include the United Kingdom and the other applicant States; it is against association with other countries and in favour of further democratization with a view to the replacement of the present structure of the Communities by a socialist structure.

The rejection of - i.e. withdrawal from - NATO, the EEC, etc. by the Netherlands because these bodies (which serve the interests of the monopolies) stand in the way of peaceful development in the world and spell the permanent destruction of democracy.

Political Party of Radicals

Enlargement of European cooperation on democratic lines. European cooperation should at the same time fit in with the needs of détente between East and West and of cooperation with the developing countries. This means in particular:

- no European nuclear power;
- no protectionist European Community.

Neither full nor associate membership should be open to countries subject to a dictatorship.

Social Democrats '70

Social Democrats '70 direct their efforts towards the enlargement of the European Community and will support efforts to develop this into a federal state on a democratic basis. Social Democrats '70 are critical of the policy pursued by the EEC in various fields including agriculture, because too much importance is attached to national interests in the short term and too much emphasis is placed on the prices of products and too little on individuals. This makes prices too high and yet many farmers are in financial difficulties. This policy also conflicts with the necessary national and international division of labour.

Reformed Political Alliance

Recognition of powers for the European Parliament, organization of direct elections to that Parliament and the formation of European parties will unintentionally strengthen the power of the great European States. On the contrary an effort should be made to modify the Treaty of Rome in such a way that the decisions of the Council of Ministers of the European Communities are submitted for the approval of the national Parliaments whenever they have an effect on the national budgets.

The Dutch Government must continue to give strong support to the enlargement of the European Communities to include the United Kingdom, Ireland, Denmark and Norway. The economic isolation of the United Kingdom and Scandinavia from the European Communities harms the interests of all concerned.

European monetary union should not be aimed at. The EEC States are too little united both morally and politically for such a union to come into operation.

To promote balanced relationships in the European integration process, cooperation is needed between the small North Sea States: Norway, Denmark, the Netherlands, Belgium and Luxembourg (particularly to promote the linguistic and cultural interests of the smaller units in Europe and to enable them jointly to promote projects in the developing countries). In fact this cooperation could be directed towards an enlargement of the Benelux-Union with the Scandinavian NATO-countries.

(Beleid Beschouwd - Politieke programma's 1971-1975, 7 April 1971;
Verkiezingsprogramma 1971-1975 van de Partij van de Arbeid, 6 February 1971;
Bulletin "De Waarheid", 30 January 1971)

2. The Belgian Socialist Party examines the problems of the European Communities

On 27 March 1971 the General Council of the Party examined a report submitted by Mr. Fayat on behalf of the working party of the Executive of the Belgian Socialist Party. Subsequently, on 19 April 1971, the Executive approved a resolution on the problems raised by the development of the European Communities.

The General Council noted the considerable achievement represented by the Council decisions of 8 and 9 February 1971 regarding economic and monetary union. It thought it important to inform the general public in the Member States in as much detail as possible. In its opinion the national Governments and Parliaments should be very precisely informed about the nature of these decisions and about the measures for putting them into application. 'It is the duty of the Ministers sitting on the Council to act as a liaison between the European Community, the Governments and the national Parliaments to avoid any distortion prejudicing the psychological, economic and social conditions of the union... It is essential to define the nature of relations existing between the Community bodies and the national public authorities sufficiently clearly.'

The General Council also asked that both sides of industry should be associated in the preparation, elaboration and execution of the work in progress. At regional level the decisions of 8 and 9 February 1971 should not prejudice the objectives pursued at the national level.

The General Council would examine the question of strengthening the powers of the European Parliament. 'Appropriate supervisory and legislative powers must be granted to the European Parliament when we go on to the second stage of the economic and monetary union; similarly, for this purpose the revision of the Treaty of Rome should be looked into, in accordance with the Treaty provisions.'

With reference to political union, the General Council described the means utilized to achieve progress in this field as quite inadequate - bearing in mind the decisions of the meeting at The Hague in December 1969. The General Council proposed a first stage to succeed the present phase of half-yearly consultations and beginning no later than 1 January 1973, which could be the final date for the actual entry of the four applicant States into the European Community. This first phase would consist of (i) consultations between the Member States of the Community prior to any initiative in the field of foreign policy and (ii) consultations between ministers with a view to decisions

affecting the foreign policy of their respective Governments, whether the issues involved were European or international.

As it was the intention of the Council of Ministers of the European Community to table a second overall report not later than two years after the introduction of the present system of consultations, it was suggested that the final date referred to should be brought forward and constructive proposals made no later than the end of this year; it was also proposed that the Commission of the European Community should be associated in this work so as to allow for the presentation of a plan of action in relation to the increased responsibilities of the enlarged Community in the world.'

The resolution also refers to other questions, such as social problems which, like agricultural and industrial policy, agriculture, scientific research, education and the enlargement of the European Communities, should be the subject of a memorandum.

(Documents forwarded by the Belgian Socialist Party)

3. Twentieth Congress of the Belgian Communist Party

The Belgian Communist Party held its twentieth Congress in Charleroi on 26 to 28 March 1971. Mr. Marc Drumaux presented a report on the prospects for the class war in Belgium. The resolution passed at the end of the Congress includes a passage on European policy.

'The Belgian Communists attach great importance to the conference of Communist Parties from the European capitalist countries held last January in London. The aim of this conference was to contribute to the common struggle of the European workers, their unions and parties, at the level of multinational concerns. The Belgian Communists believe that in order to promote joint action by the workers' movement in capitalist Europe against the international trusts which dominate the institutions of the Common Market, it is important to make arrangements at an early date for the exchange of experience and information between the Communist Parties concerned, to unite Communist trade unionists engaged on militant action in multinational companies, and to foster cooperation between all unions in the Europe of the Six, irrespective of their international affiliations. At the same time the Belgian Communists are calling for the democratic and workers' organiza-

tions in our country to strengthen their links with fraternal organizations in the Socialist countries.'

(Document forwarded by the Belgian Communist Party)

4. Mr. Chabert (Christian People's Party), Belgian MP, proposes partial direct elections to the European Parliament

Mr. Chabert, who with Mr. Nothomb has introduced a bill for direct elections in Belgium for the Belgian members of the European Parliament, states in an article published in the organ of the European Movement in the Netherlands that transitional measures should facilitate a final settlement.

'In order to increase the psychological impact on the general public - and we deliberately wish to cause this - talks are being held with Mr. Westerterp, our colleague from the Netherlands, about the possibility of organizing European elections on the same lines in the three Benelux countries. Benelux has always been the laboratory of European integration. Why not in this case too?

Why are these direct elections of the European Parliament still only being talked about? In my view this is because the national Governments still lack the will to take this matter earnestly in hand. The only solution therefore is to subject the Governments to pressure from national political movements, political parties and socio-economic groups. This would only be a temporary measure but I am absolutely convinced that it would be an extremely valuable way of arousing enthusiasm among the general public for a European integration which has until now been exclusively a sterile synthesis of economic interests. Political enthusiasm must be aroused by appropriate means and in the first place by elections. These elections, and the special climate in which they are to take place, should undoubtedly bring into being the highly necessary European mood among the great majority of people who are now submitting passively to European integration. They should enable people to increase their knowledge about integration so that they can deliberately set their sights on a Europe that cannot become a real Europe if it is completely lacking in any control by a democratically elected Parliament. This is why I made this move in Belgium and why my colleagues in the Netherlands, Luxembourg, Italy and West Germany have made similar moves. How can we bring the Europe of the individual into being without involving him directly?'

('Nieuw Europa', April 1971)

5. Conference of the Italian Socialist Party on the theme of European political integration

The International Section of the Italian Socialist Party organized a conference on 2 and 3 April. ('The Italian Socialist Party and Europe')

In an opening address the President of the European Parliament, Mr. Behrendt, stated: 'It is not enough for the European Parliament to cooperate in a purely consultative capacity in the preparation of European legislation. Nor is it sufficient for all current problems to be discussed in public in the European Parliament. The Parliament must have power to take decisions on regulations and laws. It must become the legislative body in Europe. But that will only be possible when the national parties have also been Europeanized. Closer cooperation between the parties may lead to the creation of European parties; and it is also necessary to arrange for closer cooperation between European trade unionists without which it will be impossible to effectively safeguard workers' rights.'

Mr. Altiero Spinelli, a member of the EEC Commission, made the following statement: 'The central problem for the Community remains the creation of a political union. The renewed interest in this subject shows that there is a new sense of urgency. But the political union will never see the light of day with the diplomatic methods of the Davignon Group.'

To obtain popular support it will be necessary for the parties and Governments to adopt a different approach to European problems. They will have to negotiate with the firmness and perseverance they show in dealing with other problems. The debate surrounding direct elections to the European Parliament is part of the general pattern and reflects the need for democratic decision-taking on matters which are central to our own future.'

The deputy leader of the Foreign Affairs Section, Mr. Finocchiaro, referring to the problems of the European Parliament, again called for action on the proposal laid before the Senate for unilateral election of the Italian representatives by direct suffrage. He then stressed the desirability for each Community State to appoint a Minister of European Affairs and he proposed links between the secretariat or executive of the Socialist Parties in the EEC and the applicant countries.

The Minister of Foreign Trade, Mr. Mario Zagari, said that the present European policy was not satisfactory. The Left must be restructured and participation of the masses ensured to give a popular and democratic reply to the structural crisis of a Europe which was guided essentially by neo-

capitalist forces. It was increasingly urgent for the workers' movement to make a definite choice without which it would not be possible to implement effective reforms in the Community.

Senator Giusto Tolloy emphasized the need to allow a place for the Communists in the Community. The Communists could neither cut themselves off from the social forces nor remain isolated in Europe since in many countries such as Germany, Sweden and Great Britain the great majority of workers belong to the socialist camp. The development of the Italian Communist Party (whose position on Europe had now changed) would be easier if it took a clearer decision in favour of a democratic and united Europe.

Mr. Corona said that the basic choice which the Conference must indicate to all Socialists was one in favour of political unity in Europe. This implied the transfer of responsibility from national to supranational level.

Simultaneous strengthening of democratic control together with active participation by the popular and social forces was another prerequisite.

Sticking at the half-way mark would be tantamount to perpetuating a crisis situation. Conservative and nationalist forces were opposed to political unity because they wanted to impede progress towards democratic control. In the field of foreign policy there was therefore a desire to restrict contacts to simple consultations which the British Government had considered too modest. For the same reason the institutional consequences of the plan for economic and monetary union were being rejected, thus depriving it of any real Community content.

It was not enough for the Italian Communists simply to note the reality of European integration and make statements in favour of a common currency. Progress must be made beyond the earlier negative attitudes which could not be maintained in face of the need for political unity. That unity would give Europe its role and independence in the world.

Finally, Luciano De Pascalis emphasized the fact that the Conference had unanimously decided that the time had come for the Italian Socialist Party and other left-wing forces in Italy and Europe to consider seriously the problem of an alternative to the present European system. Faced with a Europe which up to now had been built largely to suit capitalist interests, and having overcome the mistaken desire of certain left-wing sectors to block the process of integration, it was now necessary to coordinate the activities of the political and trade union forces which in fact wanted to create a Europe of the peoples.

Above all, the need for a greater sense of responsibility on the part of the European Socialist parties was stressed; the Italian Socialist Party could play a leading role in this respect. Its role stemmed from the changed world situation and a realization that the struggle for political unity and security of the European continent were closely linked; the achievement of greater balance at national level must be accompanied by the creation of a counter-vailing power at European level, with a European Parliament elected by direct suffrage.

(Avanti, 4 April 1971)

6. Professor Hallstein on the Pompidou Plan

On 8 and 13 April 1971 Professor Hallstein, CDU Member of the Bundestag and former President of the EEC Commission, published two articles on the Pompidou Plan.

The following comments are taken from these articles.

'In a democratic Europe which has made a considerable advance towards unification, the interim results of the summit conference at The Hague in December 1969 also provided the impetus for a discussion about political unification. But this amounted to no more than a "milepost" in the action programme. The "qualified cooperation in foreign policy", in the form of voluntary consultations, which was the only practical result is hardly much of a beginning compared with what is needed: i. e. for free Europe to speak with one voice.

In view of this shortcoming, it is consistent both with objective and historical logic that there should recently have been a revival of the discussion on the final political solution of the European unification process, which would include a common foreign policy. The most significant signs of this are the hypothesis put forward by the French President for a European 'Confederation', and the statement Chancellor Brandt made to the Monnet Action Committee for the United States of Europe: "The aim is obviously a reasonably organized European Government which can take the necessary decisions in the field of common policy and whose administration would be subject to parliamentary control."

The fact that the discussion of this key point of any European design was begun by Mr. Pompidou is all to the good. Even today it still appears (in spite of everything) that by an unwritten law, France should be the initiator in European affairs. The way in which President Pompidou had developed his ideas by going on from the existing Communities as if it were a matter of course is thus particularly significant. This is in happy contrast to the way in which, in the consultation practice of the Six referred to - not least at the instigation of the Federal Government - any organic link with the European Community has been meticulously avoided.

All this should not make us overlook the negative factors in President Pompidou's ideas, especially the suggestion that the European Government is comparable to a coalition government, in which majority voting would not be desirable because of the danger of a split. This comparison and above all this demand that there should be unanimity are not acceptable. For under present conditions this practice would mean that a government geared to unanimity would be completely unable to operate (especially for a Community of ten members).

Furthermore the President puts forward no complete design but just one or two ideas. Unfortunately he also re-introduces false problems. He takes issue with the concept of "supranationality" which is in fact a bad word for a good thing. But he puts forward in its place the (at all events to German ears) misleading concept of confederation. But today it is less a matter of the terms used to describe the shape of the European enterprise than of a clear recognition of the nature of the thing itself which is going on here: and that is the continuing existence of the European nation States as members of a European State authority jointly exercised by them.

President Pompidou spoke in favour of appointing national ministers for European affairs who would in time "have only strictly European powers and no longer belong to the national governments". Mr. Schumann, the Foreign Minister, added: "One can imagine that as integration progresses and as powers are transferred to the EEC Council of Ministers, the time is bound to come when we won't be able to put off the appointment of such special European Ministers any longer," possibly by promoting the present Permanent Representatives of the member governments in Brussels.

The French are obviously thinking of replacing the Permanent Representatives and the periodically meeting Council of Ministers by European Ministers, to be responsible for Community policy, before the final phase. What emerges here is not a false problem but a real and serious one. Because there can hardly be any doubt about it that changing the Council of Ministers from a body meeting periodically into a permanent one would mean a decisive shift of emphasis at the expense of the Commission in Brussels. That this is

in fact what Mr. Schumann means appears to emerge from his further comment (which is otherwise incomprehensible): "That the present Council of Ministers and not the European Commission should be the starting point for the future government of the political confederation." We really should have to be on our guard, if the Commission were to lose status without there being any corresponding quid pro quo for the Community, apart, that is, from the simple "hypothesis" of a future European Government.'

(Europa-Union-Dienst, 8 April 1971;
Die Welt, 13 April 1971)

7. Senator Fintan Kennedy asks for guarantees for industry before any decision is taken on Ireland's entry into the EEC

Ireland's existing package of fiscal and grant incentives for new industries must be maintained, or replaced by equivalent attractions, after this country joins the EEC, Senator Fintan Kennedy said in his presidential address to the annual conference in Galway of the Irish Transport and General Workers' Union (ITGWU).

Sen. Kennedy told delegates that the trade union movement as a whole must not approach a decision on the Common Market unbriefed and uninformed, or with a feeling that the country was being hi-jacked into Europe. He suggested that the Government, having committed itself to EEC entry, was now seeking to distort the facts and figures and possibilities to support its initial attitude.

The 150,000-strong ITGWU, the largest trade union in the country, was told by its president of six 'necessary safeguards' which trade unionists must insist upon as part of the EEC entry package. These included a continuation of 'the same or equivalent incentives for new and expanding manufacturing concerns as we now have'.

Other safeguards which the union is to demand are: satisfactory measures to offset unemployment resulting from free trade; full national control over the economic and social destinies of the country; freedom to develop a comprehensive social programme covering health, pensions and unemployment; the retention of native control over all natural resources, including protection for Irish fishermen and sanctions against foreigners acquiring land, and a guarantee that 'restrictive trade union law in other European countries' will not be extended into Ireland.

Sen. Kennedy promised that his union would consider convening a special national conference to plot future strategy in the event of the government failing to win these safeguards, and he left the distinct impression that such a failure would bring trade unionists out against EEC membership in next year's referendum announced on June first in a statement given by Prime Minister Lynch to Parliament.

(Financial Times, 9 June 1971;
Le Soir, 3 June 1971)

8. Speech by the leader of the Netherlands Anti-Revolutionary Party on the development of the European Community

The Chairman of the A.R.P. Group in the Second Chamber, Mr. Biesheuvel, a former member of the European Parliament, gave a speech in Middelburg on 13 April 1971 in which he expressed the opinion that the European Common Market must continue to progress in two directions. Internally there must be a movement towards a federal structure and externally a common foreign policy.

The Member States would face an increasing need to make progress in both these spheres. Mr. Biesheuvel dealt first with all external relations: as yet there had been no real progress towards a flexible but firm external commercial policy. At least equally important, although in the rather long term, was the relationship between the EEC and the developing countries. As the world's largest trading group, the Community had an enormous responsibility to the Third World. Europe's policy towards the developing countries, which was probably the most important problem of the times, could only be effective and gain credibility if the fragmentary and often egocentric approach made way for a common concept and a rational coordinated system of measures. This also called for real political integration which was still lacking in the Community.

The enlargement of the Community, by the accession of the United Kingdom, was a political necessity and therefore an eminently political problem. Difficulties concerning financing and New Zealand butter or Commonwealth sugar could not camouflage the underlying issues. However, little was heard about the basic problem of enlargement, namely the vital need to make the enlarged Community stronger. Some tended to consider enlargement the most important political issue and looked upon strengthening of the Community as the main economic objective. 'I do not agree with this attitude. There

is a political and economic need for both objectives to be achieved. Enlargement without strengthening would amount to dilution of the Community and would not bring us much further than a large customs union. That is not a satisfactory solution.'

Finally Mr. Biesheuvel referred to the internal political development of the Community, i. e. its progress towards a federation on a democratic basis. A federation was the only possible outcome of creating a body of policy to deal with the tasks and responsibilities which exceeded the resources of individual Governments. This necessarily entailed transfer of certain national administrative functions to the Community. Joint responsibility for these problems was inconceivable without a common and democratic structure of administration on a supranational basis. This was the only logical conclusion even though it was not accepted by all the partners.

Intensifying the process of integration confronted both the Community itself and the Member States with problems and responsibilities which Mr. Biesheuvel considered more important than those of strengthening the customs union in recent years. The methods used in the process of integration must be adapted in the light of these needs. This adaptation was not something which could be achieved simply. Some Heads of State were still afraid of a real Community policy. But Mr. Biesheuvel was not pessimistic.

The increasing inability of individual Member States to solve the essential problems affecting their society as a whole would make the adaptation to integration essential. The speaker said there was no alternative.

In the next ten years, members of the enlarged European Community must accept the consequences of what they themselves considered necessary before they even embarked upon the work of unification. This meant not only integration in the social and economic spheres and in monetary and short-term economic policy but also acceptance of the consequences in terms of constitution and institutions as well as at the political level. 'But it also means, and this is perhaps the most important point, that having regard to the development in Europe itself we must not concern ourselves solely with improving our own welfare but must adopt a more emphatic and rational policy towards the modernization of our own society. We must give real attention to the world outside Europe and in particular to the Third World.'

A Eurocentric attempt to achieve greater prosperity was an inadequate political impulse to maintain enthusiasm for the process of integration. A more ambitious programme of activity was necessary.

According to Mr. Biesheuvel, European unification was the greatest task facing the western peoples since the Second World War if a framework was to be created in which Europe could assume its responsibilities both to its population and to the world at large.

(De Tijd, 13 April 1971)

9. Statements by the SPD, FDP and CDU on the negotiations for the United Kingdom's accession to the EEC

On 19 April 1971, the Deputy Chairman of the SPD Group in the Bundestag, Mr. Apel, published an article on the United Kingdom's accession to the EEC in the SPD press bulletin. The following extracts are taken from his article:

'It has become abundantly clear that the Brussels negotiating machinery always places a partner who makes demands, i. e. attacks the status quo, in a precarious position. If in addition he sets himself a tight time schedule his position becomes still more complicated. All genuine advocates of British entry are confronted by this risk. Their position is not even strengthened by realization of the fact that failure of these negotiations would have far-reaching consequences for the Community as a whole. If too much emphasis is placed on reaching a quick decision, the British will probably be made an inadequate offer by the EEC countries which they will have to reject while we shall not have time enough to exert political pressure - behind the scenes but all the more effectively - on our partners in the EEC.

We must negotiate in real earnest up to 11 May. Britain must join the EEC, otherwise Europe will remain weak and divided with no strong democratic spirit. If Britain does not join, the foundation of our policy of peaceful co-existence with Eastern Europe will be shaken and in the long run the EEC of the Six will be weakened. We therefore want, and need politically, real progress towards a successful outcome in the negotiations on Britain's entry by the summer; on the other hand this date must not be the sole factor in determining the ultimate success or failure of these decisive negotiations. Only the opponents of Britain's entry in the United Kingdom and in the EEC, who want the negotiations to fail have anything to gain from rigidly fixed time limits.'

The leader of the FDP in the Bundestag, Mr. Deneke, made the following comments on the same subject: 'One important point to remember

in any debate on Britain's entry to the EEC is that détente in the East must be accompanied by closer ties between West European countries. A consistent policy for the whole of Europe must include Western European integration as the basis for a credible policy of détente in the East. Failure of the negotiations on Britain's entry would be a psychological obstacle to this policy.

Strictly material problems are still the main obstacle to Britain's entry. Three specific points must be settled: Britain's contribution to Community finances, the problem of New Zealand butter and Caribbean sugar, and a third question which has arisen more recently, namely the position of the pound sterling whose role as a reserve currency still remains to be discussed.

The basic need, however, is for an act of political will rather than the solution of purely mathematical, commercial problems. But this calls for political insight and understanding. If Europe is to become a single economic and political unit, the continental partners must be as forthcoming towards the British "profit and loss accounts" as they have been in the past towards the French.'

Mr. Barzel, Chairman of the CDU/CSU Group in the Bundestag, wrote as follows on this problem: 'The negotiations which are now under way in Brussels should be guided by the historical significance of the British readiness to join the European Community. We in Germany know just how important Britain's contribution to the Community will be with its wealth of democratic parliamentary tradition and worldwide political experience. We also realize that it took great political courage for the British Government to reach its decision to apply for membership of the European Community. Britain has accepted the European Treaties and their political objectives together with the body of Community law enacted since the Treaties came into force and the options taken out for the development of the European Community.'

We paid tribute to this British attitude on an earlier occasion and at the same time expressed our conviction that it paved the way for a positive outcome to the negotiations on entry which faced no more major obstacles.

We therefore call once again upon all the European governments - and particularly the Federal Government - to take steps to facilitate Britain's early accession to the European Community and to solve the material and financial problems which are bound to arise when the Community is enlarged in a spirit of mutual understanding.

If Britain's application for membership of the Community fails through a lack of solidarity in Europe, this will not only affect the very existence of the Community but also the European States themselves which have prepared to create through the Community a means of political action to solve the internal and external problems of Europe.'

(Deutschland-Union-Dienst, No. 64, 2 April 1971;
Freie Demokratische Korrespondenz, 6 April 1971;
Informationen der Sozialdemokratischen Fraktion im Deutschen Bundestag,
22 April 1971)

10. Mr. Barzel, Chairman of the CDU/CSU Group in the Bundestag, publishes a stage-by-stage plan for the political union of Europe

On 4 May 1971 Dr. Rainer Barzel, Chairman of the CDU/CSU Group in the Bundestag, published a stage-by-stage plan for the political union of Europe.

One notable feature of his plan is the succession of steps in the developments aimed at. Dr. Barzel here links up with the hitherto successful model of the European Community. As well as discussing the aims of the European Community (economic and monetary union) this paper also attempts to bridge the gaps in the integration process which had so far been carried forward in sectors. He justifies his approach by saying that the Davignon Plan for political consultations, (approved by the EEC Foreign Ministers in Munich on 19 November), could neither prevent any disintegration in the political field nor hold out any prospect of political union.

In detail Dr. Barzel proposed the following stages:

"First stage: Consultation

The Heads of State or Government and the Foreign and Defence Ministers would undertake to consult each other on all questions involving the general European interest, particularly questions affecting the relationship of the European Community with the Soviet Union and the other East and South European States, the United States of America, and those European States that are not members of the European Community. The competence of the Community bodies would not be encroached upon. The Commission would participate in the consultation process. It would thus be able to ensure that subjects falling within the competence of the Community would be discussed

and decided upon by the appropriate procedure. This stage would end with the entry into the second stage of the plan for establishing economic and monetary union.

Second stage: Coordination and cooperation

The governments would appoint European ministers from their national cabinets; they would reside in Brussels and there take over the tasks of the present Permanent Representatives and a great many of the tasks of the present expert ministers on the Council. This measure is a bid for efficiency for which there will be no guarantee in the Community of Ten, given the present-day practices. The decision-taking procedure laid down in the Treaty, whereby the Commission has the right to make proposals and the Council takes decisions, would remain intact. To offset the shift in the Community's institutional balance resulting from the enhanced status of the Council of Ministers, the European Parliament, which would be directly elected in this stage, could be given the right to appoint the President of the Commission. The decisions of the Council of Ministers would require the approval of the European Parliament. The Heads of State or Government and their Foreign Ministers should undertake to go beyond consultations in this stage to common attitudes and action. The second stage would end with the conclusion of the transitional period for the new Member States, i.e. around 1978. The Community would then be completely self-sufficient financially and the budgetary powers of the European Parliament become operative.

Third stage: Political union

The Council of Ministers would assume responsibility for all relevant political decisions of the Community. The Commission would prepare the decisions of the Council of Ministers. The Council of Ministers would be answerable politically to the European Parliament.

A European federal assembly, which could consist of members of the European Parliament and a corresponding number of members of the parliaments of the Member States of the Community, would be set up as a constitution-making assembly. A federal constitution, which would have to be worked out with due regard for the various existing treaties and rules, would have to be adopted on the eve of the beginning of the economic and monetary union (1980).

Fourth stage: 'Confederation'

Such a stage-by-stage plan, of which only parts could be shown - for the purpose of discussion - should be formalized in a statute on the further development of the European Community into a political union. The state of Western European integration in the economic and social policy fields and its planned further development into an economic and monetary union would only be secure if external policy were put on a Community basis.

On 25 July at the economic congress of the CDU in Düsseldorf, Mr. Barzel said: 'The time is long overdue for a German move for a stage-by-stage plan for a political Europe.' He called on the government to tackle this problem. It should not go on repeating the argument that there was no progress in this field because the British and French attitude made any advance illusory. Dr. Barzel said that Chancellor Brandt was pursuing only the objective of European cooperation and not the aim of a political Community. His view was that both Mr. Heath and Mr. Pompidou wanted a Europe which would in the end speak with its own voice, a political Community with a government, parliament and European administration.

Dr. Barzel advocated rounding off the Community. It had not yet got all the powers that it needed; but the national governments no longer had all the powers that they needed either. No one would be prepared to transfer national powers on monetary and economic affairs to the Community so long as there was no common policy in the Community and no parliamentary control.

(Europa-Union-Dienst No. 19, 4 May 1971;
Die Welt, 26/27 June 1971)

11. Mr. Jeanneney outlines the reasons for his opposition to the accession of the United Kingdom to the European Communities

In an article published by 'Le Monde' on 5 May 1971, Mr. Jean-Marcel Jeanneney, former Minister, put forward three reasons against Britain's joining the EEC.

Mr. Jeanneney wrote that the negotiations between the Six and the United Kingdom were only concerned with the scale or the duration of arrangements for a transitional period.

'This was the wrong way to put the question. If the feeling is that Britain's presence in the European Community will make things better for France in the centuries to come and that it will be easier to safeguard the cultural heritage of our Western European civilization, it is neither here nor there whether the length of the transitional period is five or seven years or whether the initial contribution of the United Kingdom to Community financing is reduced or increased by this or that percentage, or even whether larger or smaller quantities of New Zealand butter or Jamaican sugar are imported duty-free into the United Kingdom. It would be ridiculous to make the success or failure of such a grand design subject to such trifles for this is certainly going to have a profound effect on our future and on that of Europe. The real issue is whether it would really be in our interest.

All those who want a European Europe have three major political reasons for opposing British entry into the EEC. These reasons are as valid for our five partners in the present Community as they are for France. None of these arguments applies in quite the same way regarding the membership of other European States.'

The first reason hinged on economic policy. Mr. Jeanneney said that the United States in particular and third countries in general would not feel very inclined to tolerate the protectionism of a customs union that included the United Kingdom. 'Obviously, therefore, third countries would try to get this enlarged Community to become a free trade area and it is to be feared, with the wide range of ways in which the United States can exert pressure, that they would succeed. This would be a dangerous trend because it would make Europe even more dependent on the United States. Economic dependence between the two sides of the Atlantic would continue to be lopsided. More often than not the power to take decisions in their own interests would be in the hands of American enterprises because of their technological lead and the support of their Government; European enterprises on the other hand would simply have to toe the line. Similarly Western Europe would be unable to pursue an independent economic policy in such a free trade area. Any cyclical action to reflate or slow down the economy taken in Europe alone would be quite ineffective in the vast expanses of such an Atlantic economy.

The second reason for opposing Britain's entry into the European Community is diplomatic and military. The United States have real or imaginary interests which often fail to coincide with and sometimes clash with ours. To promote these interests throughout the world they use methods we sometimes disapprove of. A proper concern for purely European interests and for our own self-respect make it our duty to see to it we are not drawn along inexorably in the American wake. Yet there is no reason to believe that just because Britain enters the EEC it will sever the close links it has with the United States and which have suited Britain very well for many years. If Britain were unable or unwilling to sever these links we too would be affected

by them for Britain would acquire a decisive weight in the European Community because of the American support it would enjoy and because of the great flair British diplomats have always had for dividing and ruling.'

Mr. Jeanneney's third reason for being against Britain's joining the EEC was the danger that the French language might lose the position it now enjoys in the Community. 'If French is more widely spoken in Community circles than German, Italian or Dutch, these languages are still being used. French cannot hope to become the sole language for diplomacy, business or science of continental Europe. Hence the linguistic plurality and originality of Europe will be preserved for they are an integral part of its culture and help to secure an international linguistic balance which is already under threat. Britain's entry into the Community would make English the common political, scientific and business language. The scope of the other languages would be restricted to literary or domestic matters. Ultimately they might even disappear. But for Europe to be able to keep and develop its originality it is vital for Europeans to express their views about life in their own languages.'

To ignore these three problems would be a serious mistake. 'Let us be on our guard against the reactions of a people which found out, when a serious economic crisis occurred, that it had no freedom to act or which realized, when an international conflict broke out, that it no longer had any freedom of choice or saw its language, the symbol and substance of its national personality, gradually fading away. What a disaster it would be if the Communists (always quick to criticize mistakes) then appeared as the last resort for national feelings that go down to the very roots of a people. Because it would be into a different state of dependence on others far worse than the first but they would quickly lead us.'

There were certain French people who were in favour of British membership 'because they are attached to the idea of keeping up our friendship with the British and the Americans and because they fear that any rejection of Britain's application might compromise this friendship. Any shadow this might throw over relations between us is, however, much less to be feared than the bitterness and lasting animosity that a state of subservience - even to our friends - would entail.

Other French people for whom national independence is an obsession, are befuddled by their antipathy for any supranational authority within the Community of the Six. They are relying on the British to destroy what is there already or at least to arrest any further progress. They sincerely believe that they can defend our independence in this way. But they are miscalculating. It is far from certain that the British, with their empiricism, would come to terms with European institutions empowered to take binding

decisions, if they succeeded in putting them to the service of their policy. And even if the British did oppose the workings of the supranational institutions, what good would it do to escape from institutional restrictions if one were actually still dependent, in a far more prejudicial and humiliating way, on others? What would be the point of preserving the appearance of total French legal sovereignty at any price if this merely served as the cloak for our subjection to external powers?'

'As technology stands today, the French economy is obviously too limited in scale and scope for us to be able to fall back on our own resources without this doing a lot of damage. Hence it is far better for our monetary and credit policies, our budgets and our external trade to be subject to rules and directives drawn up by a European Community body because all members of this Community will be able to wield their rightful share of the common sovereignty guaranteeing that the vital interests of each country will be respected.

The choice that we are going to have to make is, in the last analysis, quite clear.

Either we agree to integrate our economy in a vast Atlantic conglomeration over which we have no control, in which case it is to be feared our interests will be sacrificed and our European civilization will finally vanish or we do all we can to improve the structure of the present Community of the Six and to develop a spirit of Community independence in relation to one and all. Then and only then will Europe have grounds for hope.'

(Le Monde, 5 May 1971)

12. Views of the Swiss parties on integration questions

At the meeting of Europa-Union delegates in Switzerland held in Berne on 22 May 1971, four representatives of the Swiss political parties expressed their views on relations between Switzerland and the EEC.

Whereas the representative of the Farmers', Trade Unions' and Citizens' Party was decisively against full membership and even recommended restraint in the attempt to find an alternative, the representatives of the Free Democrats, of the Landesring and of the Social Democrats supported exclu-

tatory talks with the EEC initiated by the Federal Council, although to some extent they too had reservations. The most important of these reservations was safeguarding Switzerland's neutrality.

Mr. Erwin Freiburghaus (Berne), representative of the Farmers', Trade Unions' and Citizens' Party, said a distinction must be made between the healthy and the weak democracies in Europe. States that had an age-old tradition of local and regional independence had a school for citizenship that did not exist in some large States. Switzerland should not trifle with its neutrality. Hence his party rejected full membership of the EEC, although it would welcome a rapprochement between the peoples.

Mr. Richard Forster, representative of the Landesring, pointed out that his party had been looking into foreign policy questions for some considerable time. In 1958 Mr. Gottlieb Duttweiler advocated Swiss entry into the EEC; later he argued in favour of a bridge between EFTA and the EEC. As the first party the Landesring had discussed European questions with its members in 1960. It was for negotiations with the EEC and argued that Switzerland could not give up its European responsibilities. But if progress was to be made, the problem had first to be clarified. The public had to be better informed, in preparation for accession.

Mr. Daniel Müller, National Councillor, (Solothurn) said the Free Democrat Party agreed the EEC must be taken seriously. For the individual economic partners, industry, the trade unions, agriculture, and the workers, the advantages and disadvantages of accession must be fairly divided. There had, moreover, to be the will to enter into a commitment. The principle of unarmoured neutrality must be upheld because Europe could only be interested in a neutral Switzerland. This necessarily debarred Switzerland from the political aims of the EEC. Alternatives must be sought which afforded protection against any one-sided dependence. Armed neutrality could not be given up. Independence should not be sacrificed on the altar of any momentary success. European integration affected Switzerland but if giving in meant giving up its neutrality, Switzerland should stay out.

Mr. Jean Riesen (Freiburg), National Councillor, gave an assurance that the Social Democrat Party would support every effort that led to a united and a free world. Armed neutrality must however be maintained. Swiss neutrality could have a contagious effect on Europe. Similarly Switzerland, with its increasing measure of interdependence, could not escape its international commitments. For neutrality, solidarity, help for the third world, peace in the world, and a realization of a European security conference, integration was one possible way.

not (Zürcher Zeitung, 24 May 1971)

13. Mr. Thomson and the constitutional future of Europe (25 May)

Addressing the Royal Institute of International Affairs at Chatham House on the Common Market, Mr. George Thomson, who was the Labour government's negotiator in Europe, said that the economic departments of governments, as much as the foreign ministries, would be a powerful force for the creation of European political institutions.

'The present practice that Community decisions must be taken on the basis of unanimity is tolerable among a group of Six: it will ultimately become intolerably cumbersome with a group of Ten. As the arrangements for dealing with economic and monetary matters develop, the demand will grow for democratic political institutions to control them.

If Britain joins the Communities I foresee some of the sturdiest democrats among the anti-Marketees facing that new situation by leading the campaign to strengthen the European Parliament in order to put the bureaucrats of Brussels under more representative control.

There is a particular fear on the left of British politics that we shall be losing our ability to have radical national policies of economic planning and social reform. What we shall gradually see is the transfer of the left-right conflict from a national to a European plane. Trade unions are already discovering they must learn to act on a European basis if they are to match the power of the multinational corporation. There is much talk of the importance of the quality of life.

Problems of pollution, of control of the environment, cannot be sensibly tackled on a national basis. Inter-governmental agreements are clumsy instruments. The quality of life will be more effectively tackled by a European political authority.'

Mr. Thomson added: 'It was said that Britain acquired her empire in a fit of absent-mindedness. If we now decide to join in the monumental task of building a united Europe, it will be after a decade of agonizing self-questioning, which none of the present members of the Six had to undergo.'

(The Times, 26 May 1971)

14. Mr. Callaghan complains about rush tactics

Mr. Callaghan, a former Chancellor of the Exchequer and now the Labour Party's treasurer, was speaking in Southampton on the 25th May. He argued that Mr. Heath had revealed in his Commons statement that he had taken his own personal decision to enter the European Economic Community, and he was going in "as quickly as he can".

Parliament was to be confronted with a decision in a matter of weeks, and 'it may well be that the Southampton, Bromsgrove and Goole by-elections will be the last opportunity that the British people will have to speak on these issues before a decision is taken'. Voting in the by-elections takes place tomorrow.

Mr. Callaghan demanded more time before Parliament commits itself. 'The discussion should go on during the summer months and be picked up at the conferences of the Liberal, Labour and Conservative Parties in October,' he said.

'Parliament will begin a new session with the Queen's Speech early in November and by that time public opinion will have had three months in which to form and reach a decision. That is not too long and would be time enough for Parliament itself to reach a final conclusion.

Mr. Heath owes it to the nation to give us this sort of time-table, and he and the Government will not be forgiven if people suspect that they are being manoeuvred into a rush decision without full discussion on such a momentous question.'

What were Mr. Callaghan's doubts and reservations? He said President Pompidou had made it clear that where differences existed between Britain and the French-dominated EEC, 'Britain must subordinate them to the extent of a complete rupture with our identity'. He asked if Mr. Heath's offer to participate in a European spirit, which signified a French spirit, meant that 'we are honour bound not to try to upset the principles of the common agricultural policy?' Had Mr. Heath made it clear that no one believed it made sense to give up buying cheap food from New Zealand to buy dear food from France?

Mr. Callaghan said that in the light of what had happened since the Labour application in 1967, he had growing doubts about whether an economic and monetary union inside the EEC would be advantageous to the British

people: 'It would be a handicap at the present time if Britain were to tie herself to a fixed system of exchange rates with the other Common Market countries at the expense of detaching herself, even partially, from the dollar.'

He questioned the effect of entry on employment in Britain, and asked about the reserve role of sterling. Sterling's importance as a reserve currency should contract, but the prior need was to create a healthy international monetary system, not a regional European currency, although that might come later.

'In this field,' Mr. Callaghan said, 'I do not feel myself to be very much in sympathy with the way in which events have developed during the past two years.'

(The Times, 26 May 1971)

15. Mr. Benn, Labour, and the proposal for a referendum prior to British membership

While the meeting between President Pompidou and Mr. Heath removed the problems which had hitherto stood in the way of the British application to join the Common Market, Mr. Anthony Wedgwood Benn, the Labour M.P., was intensifying his campaign to make the Government accept his proposed referendum on the subject of membership.

In 'The Times' a discussion began between Mr. Benn and readers of the newspaper. On 27 May, Mr. Benn wrote to 'The Times': 'After lecturing the unions about the need for ballots to control the exercise of power in industrial disputes, you now make it crystal-clear that the use of governmental power on the question of Britain adhering to the Treaty of Rome must not be delayed by allowing trade unionists - or anyone else - to be consulted on this question.'

This decision cannot be made on our behalf by Mr. Heath and Mr. Pompidou with the consent of the Cabinet carried in the Commons by a three-line whip.

To recommend this as "a judgment of history" is no answer. In political history has been made by continually broadening the area of

cratic consent and increasingly judging leadership by its power to persuade rather than its authority to dictate.

The European decision is a massive and historic one that will bind future parliaments in perpetuity and involves taking the nation into a compact which will only work if it is backed by a genuine will to do so. There is no single member of Parliament, on either side, who can claim one shred of a mandate to justify his voting Britain into the EEC without further and explicit public support expressed after the issues have been made clear, in an election or a referendum.

Nor is it any good quoting my predecessor Edmund Burke, as Mr. Heath did on Monday. Burke's famous speech was delivered in Bristol to an exclusively male electorate made up of less than two per cent of the people who lived in this constituency. The idea of universal adult suffrage would have horrified him. Even the concept of the House of Commons controlling Government was only in its early infancy. His is a voice from 1774, uttering sentiments that may then have been commendable, but which cannot now be used to support the idea that in 1971 M.P.s have any right to decide the future of Britain for all time.

Burke is dead and so is his view of democracy. Times' Leaders would be more helpful as a guide to the future if they could advance beyond an eighteenth-century view of what British democracy is all about.'

On 31 May, Mr. Geoffrey Alderman, a reader answered as follows: '... will behoves Mr. Wedgwood Benn to tell us (May 27) that M.P.s ought to be delegates and not representatives on the Common Market issue. I recall that Mr. Benn voted for the second reading of the late Mr. Silverman's Bill to abolish the death penalty for murder. That Bill was supported by the majority of Labour M.P.s and by many Conservative ones. But it cannot be denied that no M.P. had a mandate to vote for it; indeed it is probable that over half the electorate were in favour of the retention of hanging.

Or, to take other controversial issues, what mandate did Mr. Wilson's government have for committing British troops to Northern Ireland? What mandate did his government have for devaluing the pound, or for imposing sanctions against the illegal regime in Rhodesia? If Mr. Benn were to take his argument to its logical conclusion, I fear he would discover that many of the measures and policies he supports would have to be abandoned. His argument would imply that an unpopular government is, ipso facto, an undemocratic one. Yet it was Mr. Wilson's great boast that his government suffered because it took decisions which, though unpopular, were nonetheless in the national interest.

The Burkeian view of democracy is far from dead. It is no good Mr. Benn hiding behind his constituents. He, and every other M.P., will have to come out into the open on the Common Market issue, and be prepared to suffer the electoral consequences. The alternative would be for the Burkeian concept to be abandoned in toto. It would be both intolerable and impertinent for M.P.s to say that they will be delegates on some issues and representatives on others. If they are going to adhere strictly to the views of their constituents on the issue of entry into the EEC, then they should adhere equally strongly to their constituents' views on all other issues which come before them. What is sauce for the goose, Mr. Benn, is sauce for the gander.'

On 9 June, a third reader wrote: 'In fact the doctrine of the mandate hardly exists today in the calculations of practising politicians who generally adopt a realistic attitude to the role of the electorate in the political process. Modern political parties do not conform to the classical model that both Mr. Benn and Mr. Johnson obviously prefer. Indeed an examination of the historical record would show beyond reasonable doubt that the classical view of the "sovereign people" endorsing or rejecting specific mandates exists only in the minds of academic writers and legal purists.'

Such commentators have distorted the actual meaning of the special elections of 1831 over the Reform Bill and the special elections in 1910 held in connection with the Finance Bill and the Parliament Bill. None of these time-hallowed examples - nor indeed the election of 1906 and 1923 over tariff reform - proves the existence of the "electoral mandate" as a viable constitutional reality. In any event in 1846 Peel simply ignored it when he repealed the Corn Laws, and Gladstone in 1886 did exactly the same over his Home Rule Bill. Churchill in 1925 put Britain back on the gold standard without so much as a deferential glance towards the electorate and, of course, in 1927 the Trade Disputes Bill appeared on the statute book without a mandate.

Macmillan in 1962 sought entry to the EEC without revealing his complex thoughts to the electorate. And Wilson having successfully fought a general election in March, 1966, eight months later, without presumably a specific mandate, did precisely the same.

The truth is more banal than the constitutional purists imagine: the concept of the mandate is a convenient political device pre-empted of real meaning and which is resorted to as a tactical manoeuvre to exploit a demonstrably favourable public opinion.

The anti-marketeers want the Government to seek a mandate from the "people" on the EEC question because it is likely to be refused by them. But the Government in refusing a general election, or a referendum, on

question, is not acting unconstitutionally and faces only the remotest prospect of defeat at the hands of the electorate in four years' time for its failure to consult it over the issue of the EEC. This may be lamentable but this is how the British parliamentary system works. It is up to the Labour Party to declare whether it accepts present constitutional arrangements as binding and whether as a government it would act differently.'

(The Times, 27, 31 May, 9 June 1971)

16. Mr. Roy Jenkins, Deputy Leader of the Labour Party, comes out in favour of Britain joining the EEC

Speaking to his Birmingham constituency, Mr. Jenkins said that the Labour Party ought not to veer course now: saying one thing in Government and another when in Opposition.

'For us to change now would be to make ourselves a mirror image of the present discredited Tory Government. They made promises in Opposition and set off in exactly the opposite direction in Government.

We set a course in Government and should stick to it. It would otherwise be very damaging to the long-term interests both of the British people and of the Labour Party. There never was a time when honesty and consistency were more desirable in politics.'

Mr. Jenkins stressed that it was the Labour Government in 1967 which applied for entry 'because we believed it was in the best political and economic interest of the nation.'

He saw no basis on which it was right to seek entry then and persist in the enterprise until Labour left office last year, 'but to oppose it in principle in 1971.'

He did not believe there was any basis for a party changing its attitude to the national interest when it ceased to be in Government. 'I believe that what was right in 1967 is at least as right in 1971.'

Mr. Jenkins accepted that public opinion to-day was against entry. But it might change again.

'In any event, I don't believe that it is always the duty of those who seek to lead to follow public opinion. Majority opinion was in favour of appeasement before the war. It was wrong. Churchill was right not to veer in 1948, and Gaitskell was right not to veer in 1956 (over unilateral disarmament).'

(The Times, 19 June 1971;
The Financial Times, 19 June 1971;
Le Monde, 20-21 June 1971)

17. Statements by the German Political Parties on the successful conclusion of the negotiations on Britain's accession to the EEC

On 23 June 1971, the governing parties in Bonn and the CDU/CSU Opposition warmly welcomed the successful outcome of the Luxembourg negotiations and spoke of a great step forward towards the political unification of Europe.

The leaders of the governing parties, Mr. Wehner (SPD) and Mr. Mischnick (FDP), referred to the Hague summit conference, at which Mr. Brandt had played an important part in ensuring the reopening of negotiations. Mr. Wehner added that it was now important to begin discussions with the other applicant countries. Mr. Mischnick criticized the CDU for paying lip service to the European spirit but for doing very little to make real progress while it was in power.

Mr. William Borm (FDP), stressed the 'historical significance of the results achieved in Luxembourg' and felt that the completion of a European Community which could speak with one voice in the concert of nations was becoming a reality. Mr. Jochen Schulz, spokesman for the SPD Executive, called the Luxembourg decision the most important step towards a new era in Europe since the signature of the Rome Treaties in 1957.

Mr. Reiner Barzel, Chairman of the CDU/CSU Group in the Bundestag, spoke of a great day in the history of Europe. The agreement reached between the EEC Council of Ministers and Britain on the latter's accession was welcomed by all who seriously wanted Europe to be united. The aim of

closer cooperation between the nations of Europe must be 'to ensure that Europe can at least speak with a single voice.'

In addition to progress in financial and economic policy, Mr. Barzel believed that the political unification of Europe must be continued. 'Only a politically united Europe will be able to bring its weight to bear in world politics in a manner consistent with its importance.' Mr. Erik Blumenfeld (CDU) commented as follows in the 'Deutschland-Union-Dienst' of his party: 'The results of the Luxembourg negotiations between the EEC and Britain give good reason for satisfaction. They have created a firm basis for the parliamentary debates in Westminster on the final decision to join. Both the arrangements for Britain's financial contribution and the solution found for the New Zealand problem represent a compromise acceptable to both sides. It is pleasing to note that no attempt has been made to undermine the Rome Treaties. It is now important to make sure that the political aim of the Treaties is also achieved because the EEC must not remain a mere customs union associated with certain agricultural market regulations. Political union is indispensable. Britain must also play a part as soon as possible in creating the economic and monetary union and in taking the decisions necessary on this subject because the monetary problems which are being experienced at present can only be solved permanently in cooperation with Britain (and the United States).

It is now urgently necessary to open a full debate in the national Parliaments on the structure of the future enlarged Community. The main problem is how political cooperation is to be organized and which institutions are to be involved in it. A dogmatic debate as to whether the political union should take the form of a federation or confederation is bound to be fruitless at present. It is more important for the Community to be endowed with appropriate and effective institutions as soon as possible. The two coming years are of especial importance in this connection since the second stage of the economic and monetary union involving the creation of a common decision-making centre will begin in 1973. In addition the decisions of the Council of Ministers on the financial constitution of the EEC require the European Commission to present debated proposals on the role of the European Parliament which will then be determined by the governments. In this context it is primarily necessary to extend the budgetary powers of the Parliament and give it general legislative authority.

Velt, 24 June 1971;

Zürcher Zeitung, 25 June 1971;

Deutschland-Union-Dienst, No. 118, 25 June 1971)

18. Lord George Brown expresses his views on the importance of British membership of the EEC

In an article in 'The Guardian' Lord George Brown, former Foreign Minister in the British Labour Government, wrote in favour of Britain's joining the EEC. He laid special stress on the economic significance of membership.

'The early consequences of our accession to the Treaties and adaptation to their requirements is bound to be very much a swings and roundabouts affair. There are areas where it seems we must make gains right from the word go and others where the outlook is much more conjectural or even downright worrying. But just how much the gains on the swings prove to be substantial enough to offset any losses on the roundabouts will be almost wholly in our control.

One of my worries is that there will be a psychological spin-off from having at last got to the crunch, which will lead to our approaching the immediate pre-entry period in the wrong mood. "All right, so we're in - let us now see what it does for us" may be a temptation, but it would be disastrous. Let's be absolutely, brutally frank and realistic with ourselves as we move up to January 1973. This decision doesn't carry with it an armchair seat in the Pullman car to prosperity, peace, and plenty for all. It doesn't even license us to carry on industrially and economically as we have been doing this last decade and increasingly so in the last few years. But then I can't believe that there were really many who thought that lunacy could go on much longer anyway.

We must have an immediate fundamental reappraisal of Government policies (and that goes for the Labour Party as the likely next Government too. Our people could well be the ones with the responsibilities around D-day 1973 which would beautifully round off the ironies of the situation). We must have different financial policies and tax structures; we must finally commit ourselves to a rooted belief in expansion and learn how to manage our affairs without the crucifying consequences of everlasting squeezes, and perpetual credit and cash flow restrictions.

Naïvetés about lame ducks and other farmyard fantasies must give way to realistic regional and industrial distribution policies which pay people and machines for being put to use and not for being compulsorily made idle. Why aid to achieve the former is a "detestable subsidy" while money (which we are not earning) spent to relieve the victims of the latter is acceptable, I shall never understand.

But if government - whichever it is - must revamp all its economic, financial, industrial, and social policies, so must industry take on a much more dynamic thrusting attitude than distinguishes much of it today. How often does one hear that hoary old sinful phrase "You mustn't expect too much overnight"? So often better translated as "Damn-all will happen in the next six months if I can avoid it!"

We have some of the best, most adventurous managements in the world here - but far too many of the others as well. And when any of the former slip once in a while, as they must, it's far too fashionable for the financial cognoscenti to rub their hands almost with glee. These are precisely the enterprises that will thrive and prosper in the post-EEC climate. It's the others that will get caught on the hop unless they grasp the nettle now.

I trust that we shall be as inspired by the challenge of Community membership, and exposure to its problems and pressures, as nothing else short of war has ever in my lifetime seemed able to do.

When my grandchildren reach their twenties, it will already be the 1990's. They aren't then going to ask me (always assuming I'm still available) "What was the price of butter or beef in 1971 or 1973, Grandpa?" They are going to be interested in the vigour, the dynamism, and the opportunities we bequeathed to them. The prices they then pay for their commodities will be as natural to them as ours already seemed to us. It's the standard of living which matters most to everyone, and in all my trade union life I've found more are poor in real terms when prices tend to be lower than the other way round. Cheap food in Britain, for example, has always meant an exploited farm worker however skilled. But above all, it's the place of Britain in the world, involving as it does what we can do to influence our continent to play a wider political part in world Super-Power politics and in the frighteningly urgent task of assisting the developing world to cope with its ghastly problems of poverty, misery and disease.

Surely this is how Socialists, trade unionists, radicals, and reformers must approach the new world we are living in. Surely this is the challenge and the opportunity that joining a wider community with our close neighbours, friends, and allies, presents to us.

It is not just that the Labour Government committed itself so heavily to seek EEC membership in 1967 which prevents our reneging with honour in 1971 (although that's true enough). In my personal view we can't be Little Englanders and at the same time espouse our international faith. We can't be cowards when faced with change and challenge and yet deride the reactionaries

we profess to wish to displace. Britain and British labour can make a tremendous impact on Europe and, through Europe, on the world via membership of the wider European Community. We can now give dear Dean Acheson the answer to his scornful comment. "Yes, friend, we did indeed lose our Empire: we have now found our rôle." "

(The Guardian, 30 June 1971)

III. ORGANIZATIONS AND GROUPINGS

1. Two meetings of European Movements in Luxembourg

On 22 March 1971 the European Movement of Luxembourg held a general meeting when it passed a resolution on institutional and political questions relating to the European Communities.

In the Movement's opinion, it is not enough 'merely to have consultative monthly meetings between the Ministers concerned if no provision is made at Community level for a body empowered to take majority decisions...'

According to the European Movement it is necessary in particular:

- a) 'that the European Parliament be elected by direct universal suffrage as provided in Article 138(3) of the Rome Treaty;
- b) that Parliament should have, in addition, genuine legislative powers to ensure closer participation of the people of Europe in the work of the Community institutions;
- c) that the powers of the EEC Commission be strengthened in order that it may conduct its business as a true executive.

On 27 and 28 May 1971 the European Union of Federalists of Luxembourg held a meeting in Mersch on assistance to developing countries.

The meeting passed a resolution urging that the action taken by the European Community under the Yaounde Convention be intensified in particular 'by a fairer organization of world trade, by protection of the less favoured third world countries of which the 18 associated African States and Madagascar form part, and by increased non-refundable assistance and wider public assistance.'

The meeting further requested that the Community should take into account the educational, experimental and exemplary value of the work carried out by a large number of non-governmental organizations.

The Union finally appealed to the Luxembourg Government to 'take legislative measures with a view to guaranteeing social security to the voluntary workers sharing in the cooperation action in favour of the third world, and that donors within these organizations are granted income tax relief for the amount of their donations.'

(Tageblatt, 25 March 1971;
Journal, 30 March 1971)

2. The President of the Nederlandse Bank discusses the eurodollar market

In the annual report of the Nederlandse Bank for 1970, the President, Mr. Zijlstra, writes that procedures for influencing, if not controlling, the eurodollar market should now be considered. For many years the eurodollar market has been largely supported by American balance of payments deficits. The effect of those deficits in increasing liquidity has been apparent on a very large scale in the form of internationally available liquid resources which are partly or entirely beyond the control of national monetary authorities.

If the central banks invest part of their reserves on this market it will be inflated even further. Liquid resources must be invested, but whenever this happens interest levels are forced down, even in countries which for internal reasons would rather maintain a relatively high interest rate. The Netherlands experienced this situation in 1970.

According to the annual report, this has made interest policy very difficult to determine outside the United States and also raised the more general problem of resisting the inflow of funds from abroad. As far as interest policy is concerned, the only solution is to wait as long as possible before reducing the bank rate, i. e. until external developments make it absolutely impossible to maintain the old rate. There is no fundamental solution to the problem if existing parities are maintained.

The American balance of payments deficit has become to persistent that no turn-around in the position can be expected. According to Mr. Zijlstra this was clearly reflected in the fundamental change - for internal reasons - from restriction to expansion in American policy in 1970 in spite of the balance of payments deficit. Although expansion followed by a rise in interest rates may blunt the immediate impact of the interest problem, the underlying problem still remains.

Mr. Zijlstra also doubted whether American policy would be successful. Economic growth was likely to recover very slowly in the United States. One reason for this, which may also be a factor outside the United States, is that the restrictive policy has led to an erosion of profits. This has caused many companies to curtail their investment plans. The whole problem is very complicated. On the one hand wage rates, which have risen sharply by comparison with productivity, are a blow to investment. On the other hand, the erosion of profits will limit the possibility of making investments. It is difficult to see which way things will move. The outcome may differ from country to country and from sector to sector.

Referring to the rapid price inflation in many countries, Mr. Zijlstra mentioned the phenomenon of 'stagflation'. The dilemma consists in choosing between a continuation of restrictive policy in order to damp down inflation further and stimulating expansion in order to avoid stagnation. The risk of inflation being accompanied by stagnation was therefore very real.

According to Mr. Zijlstra it was difficult to see how this dilemma could be avoided without a genuine incomes policy. He found it regrettable that although on the one hand the need for such a policy in one form or another was becoming increasingly clear, on the other the practical possibilities of implementing it seemed increasingly remote.

At first sight the world monetary situation was very peaceful; this was not the peace which stems from genuine equilibrium, but rather the calm which comes from resignation, i. e. resignation to the American balance of payments deficit and resulting influx of dollars which is threatening to create increasing problems for policy in other countries.

(1970 Annual Report of the Nederlandse Bank;
Handels & Transport Courant, 28 April 1971)

3. The President of the National Council of French Employers argues that inflation must be dealt with at the Community level

In the April edition of 'Patronat', Mr. Paul Huvelin, President of the National Council of French Employers stressed the need for coordinated international action against inflation. Mr. Huvelin wrote: 'In contrast to what has happened so frequently since the war, the present wave of inflation is not a primarily French phenomenon but an international one.'

As a result the usual remedies, involving the kind of rigid controls that take no account of international realities, are bound to act as a brake on trade and weaken our capacity to invest, our competitive position and, ultimately, France's capacity to adjust and expand economically.

France cannot deal with inflation on its own. On the contrary the governments of the Community - the world's second largest economic entity - have the necessary means to uphold Europe's role of pursuing a financial, economic and social policy of moderating prices and establishing monetary stability. This step forward appears to us particularly vital because if we fail to do this the Six countries will be running the risk that one or other of them take national protective action which could endanger the Community's future.'

(Patronat, Conseil national du patronat français, April 1971)

4. The Netherlands Agricultural Association considers the Council's decisions on agricultural structures and prices

After the Council's decisions on the structure of agriculture and prices for 1971-72, the Netherlands Agricultural Association issued the following statement on 1 April:

'The Executive of the Agricultural Association considers one positive aspect of the Brussels agricultural decisions of 25 March to be that the Council of the European Communities has broken the long price freeze and after lengthy discussions at last made a beginning on a common structural policy. This has prevented a deadlock and even break-up of the Community. The Executive hopes that the resolution will be implemented in a truly Community spirit and will not be diluted by national measures.

The Executive notes with satisfaction that the price rises for the cattle sector coincide broadly with the ideas of the Agricultural Association. The new grain prices, which will rise on average by $1\frac{1}{2}$ - 2% for Dutch farmers, are, however, rather disappointing. The Executive stresses that this price correction must not be followed by a further price freeze. At the very least, the general increase in costs as a result of inflation must be compensated each year in the price review. The Executive believes that Netherlands policy should take into account the new components of structural policy included in the Brussels decisions. The Agricultural Association is disappointed by the fact that the retirement arrangements included in the provisions do not

apply to older workers who are not active on farms which are closed down but who have to leave their employment for other structural reasons. The new principles of structural policy must be included as quickly as possible in EEC regulations.

The harmonization of Member States' support policy laid down in the resolution meets with the approval of the Executive. Effective results can be expected quickly in this particular sphere.

The Executive draws attention to the fact that the measures resulting from the Council resolution will be financed out of existing funds so that no extra funds will be needed.

Finally the Agricultural Association believes that an effective link must be established between agricultural structural measures and general EEC policy in the sphere of economic and monetary activities, in particular for regional employment.'

('Boer en Tuinder', 1 April 1971)

5. Action programme for 1971-1975 of the trade union movement in the Netherlands

The three associated national trade unions in the Netherlands have drawn up an action programme by reference to which they will judge the Government and the various groups in the Chamber on their activities.

With regard to European integration the trade union movement considers that the action to be taken in the next cabinet period should include:

- the adoption by the Community of a wholly outward-looking attitude and the strengthening of democracy within the Community through, inter alia,
- the accession of other democratic countries;
- a merger of the Treaties of the ECSC, the EEC and the EAEC, enlarging on their supranational aspects in the direction of a European federation;
- direct elections of a European Parliament invested with basic budgetary and

legislative powers and with the right to have a say in the appointment of the European Commission and to call on individual members of the European Commission to resign;

- strengthening the position of the European Commission in relation to the Council.

In a number of fields it is no longer possible to pursue an effective policy nationally. It is therefore urgently necessary that national powers should be transferred to the European authority in the following fields: employment policy and labour market policy, economic and monetary policy, trade policy, policy in the field of technological development, regional policy and policy on individual sectors.

This would have to be coupled with the democratization of the various institutions.

In the drafting of the European Treaty, social provisions should be given a more important place so that European social policy can be given a firmer legal basis; in the meantime the provisions in the existing Treaties should be interpreted as broadly as possible.

Planning in the medium term is necessary so as to promote a balanced development of the European Community in all fields. The inter-relationship between the social aspects of individual sectors needs to be analyzed and taken into account.

The trade union movement must have a greater say in Community policy. It must be involved in the formulation and execution of policy ideas and decisions. Information on progress made in the EEC should be stepped up.

Community policy in the various fields should reflect a greater concern for the interest of consumers. In this connection it is desirable that the bodies representing the consumers in the Community institutions should have a more satisfactory place.

(Beleid Beschouwd No. 2035 - Rijksvoorlichtingsdienst, 7 April 1971)

6. The Italian Council of the European Movement discusses the Werner Plan

On 14 April, after hearing a report by Professor Petrilli, the Italian Council of the European Movement approved a statement emphasizing that the creation of an economic and monetary union between the Community States was the central problem in the new policy adopted since The Hague summit conference, and stated that without political coordination the stable expansion wanted by the economic and monetary authorities would be jeopardized.

Taken as a whole the Werner Report was a valid proposal to solve economic and monetary problems, both through the objectives it laid down and the institutional machinery it recommended.

Particular emphasis was placed on the importance for external relations of a unified monetary policy. Progressive independence of the European currencies from the dollar was in fact an impossible objective, since no Community body had the necessary decision-making powers. Among the proposals contained in the Werner Plan and reflected in the decisions taken on 9 February 1971 by the Council of Ministers of the Community, particular importance attached to granting the Council of Ministers power to approve the major lines of economic policy and national budgets acting on a proposal of the Commission.

The document points out that the Brussels decisions included abandonment of the principle of automatic and irreversible progress towards economic and monetary union, so that in fact the basic political objectives had been shelved. In their future political action the federalist movements must therefore adopt a critical approach to the process which was now under way; they should take advantage of the increasingly obvious contradictions between political objectives and institutional instruments to submit new proposals and exert pressure. On the other hand the existence at European level of organically linked interests lent concrete support to the European cause whose importance must not be underrated.

In Italy too there was a wider realization of the benefits which may result from closer political coordination in the Community in checking the efficiency of national administrations, rationalizing many decision-making processes and assuming European responsibility in face of the need for common efforts to overcome regional imbalance. Against this background it would be necessary in future to give increasing attention to the links between internal policy options and Community decisions through a genuine federal dialectic.

According to the Italian Council of the European Movement, the broad repercussions of the Brussels decisions, in spite of their undeniable limits, justified the conviction that new efforts to democratize the common institutions must now centre on concrete problems which need solving if there is to be any real possibility of institutional development of the process of integration.

(Il Popolo, 15 April 1971)

7. Afro-Italian economic conference on 'The new Europe and a new Africa'

The 20th African Economic Conference, organized by the Bottego Group with the cooperation of the Institute for Foreign Trade and the Afro-Italian Economic Centre, opened on 16 April; its theme was 'The new Europe and a new Africa'.

Professor Dell'Amore, the President of the Savings Banks of the Lombardy provinces, speaking of financial assistance to the developing countries, began by describing the various types of financing which had developed constantly since the Second World War, such as loans by international corporations and individual States and credits granted with or without State guarantees. He added, however, that another form of financial assistance was becoming increasingly necessary to promote the economic and social growth of the developing countries. Banking systems in the developing countries in general and the African countries in particular had grave shortcomings. Professor Dell'Amore thought these shortcomings could be eliminated by providing incentives for family savings through a systematic publicity campaign which would reach even the smallest villages; by ensuring wider use of bills in order to increase the administrative resources of each banking system; by appointing a Euro-African monetary committee, initially in a consultative capacity, with the task of providing technical assistance to the central African banks and enabling them to benefit from the wide experience of the industrialized nations. This committee could later be transformed into an effective financial body capable of ensuring the help of European countries to defend the various currencies in times of danger. It could then operate with the same criteria as the Bank for International Settlements which has provided valuable aid to the European economies. This problem will be discussed at the Italo-African conference to be held next September in Milan at the initiative of the Savings Bank of the Lombardy provinces; the conference will be attended by the finance ministers, governors of central banks, presidents and general managers of the main credit institutions in all the African countries. This

conference, the first of its kind, will mark a decisive step in the provision of financial assistance to the African countries.

(Il Sole - 24 Ore, 16 April 1971)

8. Survey conducted by the European Movement among candidates for election to the Second Chamber

The European Movement in the Netherlands conducted a written survey to determine the attitude of candidates of the major parties for election to the Second Chamber on a number of European problems. The major conclusion from the answers received is that the candidates are in broad agreement on the need for European unification.

This common approach and positive attitude is particularly apparent from the consensus of opinion on the need for a common European external policy. The overwhelming majority also believed that a European social and economic policy must be achieved before 1980. National powers must be transferred to a European authority beforehand in clearly defined stages.

The candidates were particularly unanimous in their desire for direct elections to the European Parliament although they are clearly aware, as their answers show, that it will be necessary to form European parties. The European Parliament should then also have full budgetary and legislative powers. There is also a very large majority which believes that members of the European Commission should be appointed in consultation with the European Parliament.

Opinions are divided on the question as to who in the national Government must bear primary responsibility for European policy: a Vice-Premier with his own coordinating staff, or a Minister without Portfolio attached to the Ministry of Foreign Affairs, or else a Secretary of State in the same department. The answers given by the Labour Party and D'66 candidates clearly showed preference for a Secretary of State.

The Catholic People's Party candidates were divided between a Secretary of State and a Minister without Portfolio. A Minister without Portfolio was also preferred by Christian Historical Union members. The Anti-Revolutionary Party candidates agreed that they would like a Vice-Premier to

be responsible. This unanimity is not surprising as the Anti-Revolutionary Party had returned a collective answer on behalf of all its candidates.

(Information Bulletin of the European Movement in the Netherlands, No. 6, 22 April 1971)

9. The Central Association of German Chambers of Industry and Trade (DIHT) calls for a common short-term economic policy in the EEC

Until supranational solutions can be found the coordination of economic policies would make for progress in the EEC. This proposal was made by the Chairman of the Central Association of German Chambers of Industry and Trade (DIHT), Mr. Otto Wolff von Amerongen, early in April in a lecture given to the Statistical and Economic Association in Basle. He expressed the fear that emphasis on narrow technical harmonization might hold up the development towards a larger Europe. According to the President attempts must now be made to harmonize economic and budgetary policy itself through 'functional integration'.

In his opinion the continuing existence of the European Community was dependent on the success of this policy. Hitherto short-term economic policy had been determined by national considerations. Something better was now necessary. Economic links between the six (and presumably soon ten) countries meant that the freedom of action for a successful national cyclical, economic and financial policy was being constantly restricted.

With the more or less complete abolition of internal frontiers, European integration had reached a stage at which business cycle fluctuations and economic disequilibrium were transmitted rapidly and directly from one country to another within the Community. In a community of nations it was not permissible for individual economies to be governed by divergent national economic policies.

The major partners of the EEC were industrial countries with an independent history as world powers. But the movement towards integration in a supranational union meant that these industrial countries would lose much of their power to determine monetary, economic, budgetary and financial policy. Therefore the aim must not be a federal state in the traditional German sense of the word but rather a federative arrangement 'whose legal and orga-

nizational structure still requires detailed scientific and political study.'

(Die Aussenwirtschaft, No. 16, 22 April 1971)

10. Twenty-second Congress of the Italian Confederation of Direct Farmers

At the close of the twenty-second Congress of the Italian Confederation of Direct Farmers held in Rome from 26 to 28 April 1971, a motion was approved of which the following is an extract:

The twenty-second Congress notes:

- having regard to the persistence and, with regard to many aspects, to the worsening of social, territorial and sector imbalances which are in many areas having an adverse effect on farmers and the agricultural community in Italy and in the Europe of the Six
- having regard to lack of any political will or solidarity, which is the reason both for the delay in the EEC in pursuing the aims laid down in the first medium-term economic policy programme and for the failure of the national development programme for 1966 to 1970;

Trusts,

- that in the interests of democratic institutions and peaceful industrial relations, the recent sound decisions of the EEC Council and the provisions the Confederation asked for - which the Government is putting before the Chamber - will reverse the trend to one of balanced growth making for real and harmonious development in social conditions.

The lines of agricultural market policy, social policy, structures policy and regional planning suitable for restoring to agriculture and the farmer their rightful position in our industrial society of the Seventies, no longer raise any problems of theoretical or conceptual elaboration, but the essential short-term requirement is renewed political resolve to make the vital effort of solidarity.

(Il Coltivatore, No. 26 of 4 May 1971)

11. Inquiry conducted by the Belgian Council of the European Movement into the election of the European Parliament by direct universal suffrage

At a press luncheon on 27 April, Mr. Lefèvre, Minister for Science Planning and Policy, announced the results of an inquiry conducted among the 387 members of the Belgian Parliament at the suggestion of the Belgian Council of the European Movement, of which he is chairman.

The inquiry concerned the need to elect Belgian members of the European Parliament by direct universal suffrage¹. 121 replies were received, 117 from members who were in favour of the election of the Belgian members of the European Parliament and ready to vote in support of appropriate legislation. 77 per cent of those replying felt the elections were a matter of urgency; 26 delegates did not. The latter felt the powers of the European Parliament should first be increased. In their opinion absolute priority should be given to the enlargement of the Community.

The Belgian Council of the European Movement subsequently published a summary of the suggestions made by the Belgian M. P. s in the course of the inquiry regarding the steps that should be taken to bring about direct elections.

'Six representatives state quite clearly that it is not up to them to take the initiative for they feel that they are not qualified to do so. It is up to authorities enjoying greater prestige whose proposals would be given consideration and which would have a chance of winning through to the Council of Ministers. Such authorities are the European Parliament, the European Movement, the executives of the political parties, and the parliamentary groups.

Sixteen parliamentarians promised support for any stand taken on this by the Senate, the Chamber, their Party, the Government or the European Movement, or for any such position adopted in another European country.

For ten parliamentarians action assumes a practical form in their taking the Chabert-Nothomb bill into consideration.

The bill will be supported but will have to be amended.

(1) See bill submitted by Mr. Chabert and Mr. Nothomb, European Documentation No. 2/1970, p. 9.

A new bill is suggested by three representatives.

A direct approach to the Minister of Foreign Affairs is envisaged(1), at the level of the European Commission (1) or of the Council of Ministers (1), or to the Government (1). In most cases it is within their own parties that parliamentarians propose to try and win acceptance for their views (10).

The need for an infrastructure is stressed by nine parliamentarians who would like publicity campaigns to be carried out at trade union and youth organization level and on festive occasions. Three parliamentarians undertake to write articles for the press and two others to support the plan for universal suffrage at conferences and meetings. Lastly, one representative will include lectures on the subject in a political training course.

Concerted action is advocated between Belgian parliamentarians of all parties, between political groups, within a single political party at the European level.

The incompatibility of mandates is stressed by three parliamentarians: 'The European Parliamentarians must be independent of their national authorities.'

Criticisms were made: of the European Movement, that it is always slow to react; it should propose practical action for which serious preparations are made and be a little more vigorous; of the Government, that its attitude is restrictive ...

Wishing to explain their personal points of view, ten parliamentarians also sent a letter in which they expressed their opinions in a more detailed manner or drew attention to the practical problems of organizing the election of the European Parliament by universal suffrage.

In the national context, reference is made to the problem of dividing up the seats between the different regions, establishing representative electoral constituencies for the Belgian communities whose diversity must be reflected in the European Parliament - although this does not rule out the idea of a single electoral constituency - and the need to provide for electoral districts and safeguard the rights of the various communities.

With the enlargement of the Community in prospect, absolute priority should be given to British membership. The British were liable to be held

back or discouraged by a transfer of national sovereignty to the European Parliament.

This fear of frightening the United Kingdom is also commented on by one parliamentarian who thinks it has had a direct effect on the reservations of the Belgian Government.

Within the framework of the Six, the importance of a simultaneous procedure is stressed because an overall operation would have a greater impact on public opinion and this would thus help to bring home the European idea to the peoples of Europe; it would also allow for a revision of the Treaties in force. Yet in view of the difficulty of obtaining a decision at the level of the Council of Ministers it is desirable to envisage the procedure in collaboration with all the countries that are at present resolved to organize it in their own countries. An isolated initiative on the part of one country could undermine the overall operation and does not appear to be advisable.

A transitional period is envisaged to enable the present Assembly to acquire greater authority and give it an exclusive character by making European parliamentarians independent of the national Parliaments.

Another solution was also suggested on a provisional basis, namely some formula making it possible to nominate national parliamentarians and non-parliamentarians in equal numbers.

One parliamentarian put forward the idea of indirect elections, which would be more to the point than direct elections because 60 to 80 per cent of the electorate is indifferent to this matter. The electors could be chosen from among the members of the Provincial Councils and other institutions representing the Belgian electorate.'

(La Libre Belgique, 29 April;

De Standaard, 28 April;

Documents forwarded by the Belgian Council of the European Movement)

12. The European Independence Movement on British membership

The National Bureau of the European Independence Movement has adopted a policy report on 'the United Kingdom and the future of Europe'

submitted by Mr. Alain Revennes.

Dealing with whether British membership would contribute to greater cohesion, independence and prosperity among the Member States of the Community, the document states:

'To begin with we must recognize that the United Kingdom would help to heighten the sense of national realities - still very much lacking in the Community - and to inculcate a down-to-earth spirit. Britain's presence might help to ensure that priority was given to specific and clearly defined projects rather than long-term plans, and to actual developments rather than empty proposals.'

To claim that Britain's presence in the Community would help to offset the power of Germany would be to ignore facts and the very spirit of the Community enterprise which aimed not at ensuring a risky balance or precarious interplay of forces but at creating the conditions for an ever closer solidarity.

In regard to agriculture 'the commercial benefits that the Community would gain from British membership would involve scarcely anything apart from wine and certain types of cheeses and fruit and vegetable, and even the quantities of these products are difficult to determine. On the other hand it is reasonable to suggest that the United Kingdom would gain from entering the Community through an increase in the sales of its food industries (tinned foods, biscuits and so on).

Under pressure from the Community the British negotiators accepted the financing regulation but coupled this with a request for a transitional period; this is liable to be more in the nature of a waiting period following which all the problems raised by their integration into the system would still be there. Hence "enlargement" could call into question "completion", its prerequisite.

In fact whatever arrangements are envisaged or proposals made in the course of the negotiations it seems obvious that the entry of the United Kingdom would greatly strengthen the hand of those in the Community who wish to call into question the principles underlying the common agricultural policy.

By initiating standing negotiations within agricultural Europe the United Kingdom would exert its influence in favour of the gradual or sudden

abandonment of the common agricultural policy, which is a major reason why France is a member of the Common Market and which establishes the Community nature of the EEC.'

How would the economic situation of the United Kingdom affect the Six if Britain were to join?

'If the United Kingdom pursues a policy of strictly balanced budgets it will be bound more or less to call into question the abandonment of customs duties in favour of the Community. On the other hand the British market would be very sluggish for the Community's agricultural and industrial exports, while British exports would be encouraged.

If the United Kingdom initiates a policy of reviving its economy the Community, which is generally speaking in credit and only indebted to a very slight extent, would have to bear the burden of the United Kingdom's debt and the renewed deficit in its balance of payments and would contribute towards the very difficult and onerous job of defending the pound.

It is hard to see how the United Kingdom could reconcile its economic expansion with that of the Six without threatening its interests or compromising the approach opted for by the Community. It is also hard to see how it could help in the main plans for "consolidating" the EEC.'

With reference to monetary affairs the report indicates that 'by preserving the status of the pound against all odds the United Kingdom exposes itself to the constant threat of speculation and is dependent on international solidarity, that is to say on American support, which is hardly compatible with the aims of the Community regarding monetary stability and independence.'

The entry of the United Kingdom to the Community would no doubt take it in a different direction. 'Possibly towards the great European free trade area proposed by the British at the OECD in 1957. The emergence of a giant economic and commercial entity would be something that the other great trading powers, such as the United States and Japan, would find it hard to accept.

In the long run, therefore, the enlargement of the Community, the American and no doubt Japanese offensives, and the pause in consolidating the Community, would all combine to impose on us an Atlantic free trade area and ultimately an international free trade area.'

In conclusion Mr. Ravennes said that it was hard to believe that Britain's accession would at present increase the cohesion of the Community, consolidate its independence, or increase its prosperity. But the problem should be tackled dispassionately. It was not a question of deciding whether one was for or against the British. It was essential to ensure that any failure of the negotiations did not call into question either the existence or the development of the EEC or the friendship and cooperation that existed between the countries of the EEC and those of the European Free Trade Area.

'If the United Kingdom, an old and solid nation, an outstanding people which has stood the test of time, wishes to reform its economy, gives up a monetary situation that is more illusory and dangerous than beneficial, gives evidence of its friendship for the United States but also of its independence, and undertakes in Europe and in the world initiatives that are worthy of its genius, then truly for the second time this century the United Kingdom could change the destiny of Europe.'

(Documents Européens - May 1971, No. 1)

13. The Italian Council of the European Federalist Movement calls for the direct election of members of the European Parliament

At the 'European Congress' on 5 May, the Italian Council of the European Federalist Movement issued an appeal (published in numerous dailies) pointing out that the will of 65,000 citizens who had subscribed to the popular bill for the direct election of the Italian delegates to European Parliament had been sufficient to bring the political parties face to face with the problem of the first European elections. Other countries in the Community were ready to follow the Italian example and to take the first step towards the formation of a European Government.

A European Government - the appeal went on - could free the States from the difficulties now facing them. Only Europe could re-establish a balance with Russia and the United States. Only Europe could enable the new generations to build a more humane society. But Europe could be brought into being only if all its citizens, following the example of the 65,000 who had submitted the bill, demonstrated that they wanted this by taking direct personal action.

Individually almost every citizen was in favour of Europe - the Federalist appeal concluded - but by acting individually they could not bring it into

being, whereas acting together they could get everything. The European Federalist Movement, which was open to all democratic ideas, could organize the action of Europe's citizens...

It could, in the interest and with the agreement and support of the people, make any move that might be needed to get European elections in Italy, to get European elections in Europe, and to entrust to the representatives of the European people, meeting in the European Parliament, the task of completing the construction of Europe.

On the same occasion Professor Giuseppe Petrilli, President of the Italian Council of the European Movement, issued a statement. After recapitulating the main lines of the appeal, he concluded: 'The European Movement is convinced that the future of European democracy depends, to a decisive degree, on the construction of federal institutions - which can be delayed no longer - and proposes the watchword: "European elections now!" to all federalist-inspired movements and to the Italian public at large.'

(Avanti, 5 May;
Il Popolo, 5 May 1971)

14. At the Meeting of the Italian Council of the European Movement,
Mr. Bersani discusses the institutional set-up Europe ought to have

The Italian Council of the European Movement held a meeting in Rimini from 21 to 23 May at which Mr. Giovanni Bersani, Vice-President of the European Parliament, took part in the work of the committee on political problems. He said that for Europe to create suitable institutions and play an adequate part in international affairs, it had first of all to know what kind of society it wished to build. The discussion concerning the characteristics of the type of society to be built with the help of all the vitality of the European peoples, lead to the conclusion that one had to go beyond the stage of the single nation State, that the need was for a responsible, open and democratic society and an ordered, integrated Community.

Mr. Bersani suggested that the design of the European society as a third alternative should be gone into more deeply with a view to touching off a wide movement of support, with large numbers participating. Taking the present community as a basis, it was a matter of urgency to devise an institutional strategy with definite aims and time-limits. He added:

'It has become urgent to solve the problem of a European Government which would give the Community an adequate decision-making centre. Even more essential is the problem of the European Parliament, its election by universal suffrage and its real powers. With this end in view, the moves to bring in general elections for delegates to the Community Assembly is of real political significance, even if only in one of the Member States.'

Referring to the enlargement of the Community, Mr. Bersani said that this made a treaty on merging the three Communities a matter of urgency, as was a restructurization which, while leaving the broad bases of the Treaties of Paris and Rome unaltered, would allow for a final institutional programme. A Europe built as a Community State and enlarged to include ten members could assume the burden of its international responsibilities more decisively. The lack of common foreign policy had opened up voids which had been prejudicial to Europe and the world at large.

'Europe needs to take an active part in and impart a new impetus to international affairs to foster democratic development in Europe, to promote a practical policy for peace and disarmament, bringing WEU within the orbit of Community institutions, to develop a more adequate third world policy and to call for a common approach to international problems. The Community's approach to solving world problems in the large geopolitical areas and even the rudimentary type of cooperation it practises with some of the developing countries is already a practical contribution to the development of new international balances.'

(Il Popolo, 23 May 1971)

15. Mr. Brugger, Federal Councillor, advocates steering a middle course on the integration question

In Basle on 25 May 1971, on the occasion of the Swiss Trade Union Congress for 1971, Mr. Brugger, Federal Councillor, stated his views on relations between the EEC and Switzerland.

He referred particularly to the close trade relations between Switzerland and the EEC countries which amounted to a 'de facto integration'. Against this background there could be no question of Switzerland's cutting itself off, to shield itself against the impact of new developments. Economically, Switzerland would now be dependent on new factors as a result of the en-

largement of the EEC, whether we like it or not'. Switzerland's top priority at the negotiations in Brussels was now to establish exemption from duty in its relations with an enlarged Community. Another outstanding issue was the degree of freedom Switzerland would have to retain in the organization of its external trade relations. Following the exploratory phase, still in progress, 'the real stuff of the negotiations must be established in close agreement with the Parliament, both sides of industry and the general public.' In this connection it would not be enough, for the public discussion of integration questions which would have to be held, simply to look at the consequences of membership or of complete isolationism; clear ideas would have to be produced about practical interim solutions that were genuine alternatives.

With the split in public opinion and the conflict between economic interests, the difficulty with integration and many other problems was to find a basis for an 'acceptable overall solution'. Was there in any case still 'a Swiss viewpoint?'

On 18 June 1971 Mr. Brugger, Head of the Federal Economic Affairs Department (EVD), commented as follows in the European Commission's report on relations between an enlarged EEC and the non-applicant EFTA States: 'The proposal about a free trade area for industrial goods is basically in line with my own ideas. But such a trade policy agreement ought to contain one or two props for closer cooperation in other economic policy fields, as we said in our general policy statement of 10 November 1970.'

The alternative arrangements for relations between the EEC and the non-applicant EFTA States, that the European Commission had put forward, were discussed by Mr. Jolles, ambassador, Director of the Trade Section of the EVD and leader of the Swiss delegation at the negotiations at a press conference in Berne on 19 June. He welcomed the proposal for a free-trade settlement for industrial products and compared this alternative with Switzerland's own ideas on a generalized abolition of customs duties throughout Europe. On the Swiss side a free-trade settlement was regarded as a useful starting point. It formed part of Switzerland's concept of integration.

(Neue Zürcher Zeitung, 27 May 1971 and 21 June 1971)

16. Foundation of an Information Committee on European cooperation in Sweden

A special Information Committee on European cooperation was founded in Sweden in June at the suggestion of Ambassador Bo Siegbahn, a

counsellor of the Swedish Confederation of Industry. The purpose of this Committee is to disseminate information on the effects of closer ties between Sweden and the European Community. The aims of the Committee are to combat the indifference and incompetence which have so far characterized the arguments of all who oppose the Common Market.

The Committee's manifesto states that Sweden must move closer to the European Community in order to maintain vital contacts with democratic Europe, above all in the spheres of trade and technological cooperation. According to the Committee, the prosperity of Swedish industry and future generations are dependent on Swedish membership of the EEC.

Economically, Sweden could live without the EEC but the Committee rejected the suggestion that the advantages of European cooperation were limited to the facilities of a customs agreement. It was at least equally important that Swedish participation opened the door to more trusting and closer cooperation and to exchanges of views and experience in all spheres of productive life. In addition all the barriers to international economic activity must be removed.

The manifesto deplores the decision taken by the Government on 18 March not to apply for full membership of the EEC. According to the signatories of the manifesto, Sweden must find an active and fruitful form of cooperation, taking into account the fact that the neutrality clause must not be an obstacle to economic cooperation.

(Il Sole - 24 Ore, 16 June 1971)

17. Opinion of Belgian industry on relations with non-applicant EFTA countries

The Federation of Belgian Industries carried out an enquiry among the various branches of trade and industry in Belgium to learn their opinions about the problems raised by the inclusion in the negotiations on the enlargement of the EEC of the non-applicant EFTA States. From an analysis of these opinions the minimum general conditions for the conclusion of an agreement emerged as follows:

'A customs union, de jure or de facto, seems to be the first condition for any complete customs dismantlement on a reciprocal basis between

these countries and the EEC.

The alignment of the tariff and customs system of these countries on that of the EEC States, i.e. the common external tariff in particular, is essential to avoid any deflection of trade or distortions of competition.

Respect for the neutrality of these countries does not seem to be affected by participation in common decisions in the field of customs.

In the field of common policies under the Treaty of Rome the following minimum requirements must be formulated with regard to non-applicant EFTA States:

Trade policy: regular consultations should be provided for. The neutral countries would undertake to follow a policy close to that of the enlarged EEC. In the event of any undue divergence there would be a safeguard clause of the "Article 115" type.

Taxation: one could ask the contracting parties:

1. to adopt a rule based on non-discrimination in fiscal matters based, for example, on Articles 95 and 96 of the Treaty of Rome;
2. to conclude bilateral conventions to avoid the double taxation of income (based on the OECD model).

Law of competition: the neutral countries should undertake to legislate against any concerted practice liable to affect trade between members of the area coming within the scope of these agreements. They should also accept the competence of the Court of Justice of the Communities to deal with trade disputes.

Right of establishment of enterprises: there should be a law against any discrimination based on nationality for the member countries of EFTA and, in any case, the most-favoured-nation clause should be applied to the EEC countries.

Common agricultural policy: it would be desirable for these countries to adopt the common agricultural policy in toto or, failing that, the machinery provided for by the market organizations of the Community; otherwise the only Community concessions conceivable would be the protective element

for the processing industries, i. e. the fixed element in levies (similar to a customs duty).

Technical obstacles to trade: the contracting parties to the specific agreements should together resolve the problem of technical obstacles; the neutral countries would have to accept the directives already taken (they are rare) or participate in their adaptation in the same way as the applicant States.

Safeguard clauses: there should be safeguard clauses similar in scope to Articles 115 and 226 of the Treaty of Rome to resolve the problems of sectors which could be placed in serious difficulty when these agreements come into force.'

The Federation further notes that certain particularly sensitive industries would like special arrangements. These are the pulp, paper, cardboard and plywood industries and the vegetable oils and fats sector.

As for the date when any agreement could come into force, the Federation would like this to coincide with that of the accession agreements. Similarly the duration and the timetable for the transitional period should closely coincide with those laid down for the accession agreements.

'Should it not be possible to reach an agreement on this basis and these minimum conditions between the EEC and the neutral EFTA States, the Federation believes that the only solution would be for the new members of the EEC gradually to apply the common external tariff in their trade with their former EFTA partners according to the timetable laid down for all third countries.

(Bulletin de la Fédération des Industries belges, 10 June 1971)

18. Swiss democracy and the EEC

At the invitation of the St. Gallen Legal Association, lawyers from the countries bordering on Lake Constance attended a conference in St. Gallen on 27 June 1971. Its highlight was a lecture by Dr. Alois Riklin, Professor of Political Science at St. Gallen University, on the subject 'Switzerland and the European Economic Community - legal and political problems'.

After a critical analysis of the special features of Swiss democracy, Professor Riklin concluded that the Swiss were perhaps reticent in exercising their political rights but would react strongly to any attempt to remove or curtail these rights. This meant that additional problems which did not arise or were not so pronounced in other European States would be encountered in settling relations between Switzerland and the EEC. What then were the true implications of relations between Switzerland and the EEC for Swiss democracy?

'Accession to the EEC in its present form would entail a substantial curtailment of our democracy. Recent studies of the Swiss system of democracy by referendum have proved that the indirect effects of the referendum are more important than its direct effects, since the "quasi-legislature" represented by the associations entitled to call referendums in the pre-parliamentary decision-making process frequently arrives at neat compromises. The result of this development has been that the most important bills have not in fact come up for referendum since the 1950s. Accession to the EEC would considerably diminish the rights of the people but would not do away with them altogether. Even then Switzerland would be anything but a purely representative democracy.

The erosion of direct democracy is, however, only one aspect of the problem. The loss of representative democratic rights would be an even more serious and far-reaching problem. Accession to the EEC would reduce the powers of Parliament to an even greater extent than the rights of citizens. Parliament would lose in large measure its power to approve treaties drawn up under international law as well as its legislative, budgetary and supervisory powers. This important aspect of the problem has been almost completely overlooked in Switzerland because of the emphasis placed on the implications for direct democracy. Here in fact we are in the same boat as all the EEC member countries and applicant States.

The loss of powers would not be so important if the curtailment of national democracy were countered by greater democracy at international level. But this is not the case. Rightly enough membership of the EEC is only open to democratic States, but the EEC itself has an undemocratic structure and therefore undermines democracy in its Member States. The autocratic system which has been set up in the EEC includes no direct democratic components and its representative democratic component has no practical importance.

The European Parliament has almost none of the features of modern parliamentarism. It has no power to approve international treaties in the EEC and no legislative authority but merely the right to be consulted in certain

instances. Until the end of 1970 it had no real say in budgetary matters, and the budgetary powers it has enjoyed since 1971 - which will be extended in 1975 - must not be overemphasized since it will in reality only be concerned with 3.5 per cent of the total budget of the European Community. Finally its supervisory powers are only rudimentary. The European Parliament is therefore a shining example of mock parliamentarism and mock democracy.

The undermining of democracy through international and supra-national cooperation is a general trend in international relations today. It is, however, not so marked in any international organization as in the European Communities because no other international association of States has such far-reaching powers.'

Because of these implications for democracy Switzerland might be tempted to have nothing to do with the Community. But Professor Riklin felt that would be a big mistake. If the EEC were enlarged and consolidated from a partial to a general economic union, let alone a political union, it would be a 'colossal illusion' to assume that Switzerland could remain in 'splendid isolation' and pursue a completely independent external and internal policy as a non-member. 'On the contrary our economic policy would become increasingly dependent on this economic colossus without our having an equivalent say in the effective process of integration. But just as our freedom of external and internal political action would be limited, we should also have to accept a curtailment of our democratic freedom. The loss of independence would be accompanied by a loss of democracy. We are therefore caught in a vicious circle: if we join the EEC we will suffer a loss of democracy because the EEC is undemocratic; if we do not join, the loss of democracy will result from the fact that the freedom of action of the democratic decision-making bodies will be narrowed. What is the answer?'

According to Professor Riklin, democratization of the EEC was the only solution. 'But how can democratization be achieved when President Pompidou and Mr. Heath have agreed on their own special concept ?

Two possible methods of democratization must be ruled out immediately because they are either irreconcilable with the existing system or inappropriate.

The formula of a parliamentary system of Government with the right of appointment and provision for votes of confidence would be incompatible with the existing structure. President Pompidou and Mr. Heath want to turn the Council of Ministers, which consists of representatives of the Member States' Governments, into a "quasi-Government". The concept of making

the Governments dependent on instructions from national Parliaments would also be inappropriate, because it would be too cumbersome and not flexible enough to arrive at compromises.

The only possible means of democratizing the Communities was therefore to upgrade the international Parliament of the Community. The initiative for this must stem from the national Parliaments. No treaty on the merger of the three European Communities, agreements to establish economic and monetary union or any other treaty whose purpose is the development of the Communities should be approved by national Parliaments unless these treaties also contain measures to develop the democratic structure of the Community.'

Professor Riklin concluded his report by pointing out that democracy in Switzerland would be threatened regardless of whether it joined the Community. It would therefore be sensible for it to establish the closest possible links with the EEC in order to strengthen the position of European democrats and advocate democratization of the Community.

(Neue Zürcher Zeitung, 29 June and 17 July 1971)

19. Call for new action by the Italian Executive Committee of the 'European Left' movement

The Italian section of the 'European Left' movement has published a programme appealing to all the forces of the democratic Left in Italy to band together in a strong movement aiming at creating a European Federation through the determined efforts of the working classes, the younger generation and the people.

'In particular the European Left has the following objectives:

1. Enlargement of the European Community to include all the democratic countries of Western Europe;
2. Rapid establishment of the European economic union as a second important step now that the customs union has been almost completed;
3. Creation of a European Federation led by a supranational authority which would not stand for the individual nation states but would be a genuine

independent authority exercising its power in a single European Parliament;

4. Immediate attribution of decision-making and supervisory powers to the existing European Parliament which must be enlarged and elected by universal direct suffrage among the electors of the European countries represented in it;
5. New relations with Eastern Europe as a necessary step towards establishing unity throughout the continent, which is impossible today because of the rigid system of opposing blocs;
6. A review of relations between Europe and the United States of America with the creation of new links based on the new reality of a united Europe;
7. Rationalization and continuation of a joint effort by all European countries to assist the developing countries.

In this struggle, the Italian Section of the European Left movement sees various factors which will facilitate the creation of a Europe of the peoples, that is to say, a Europe in which all its citizens participate directly. This Europe, putting behind it its recent history and recovering genuine unity, can still continue to make a major contribution to the development of human civilization. '

(Iniziativa Europea, No. 14/1971)

At the Community and International Level

I. COMMUNITY INSTITUTIONS

1. The meeting of the EEC Finance Ministers in Hamburg yields little in the way of practical results

The meeting of the EEC Finance and Economic Affairs Ministers held in Hamburg on 26 and 27 April 1971, dealt mainly with questions of monetary, budget and short-term economic policy.

The Ministers failed to agree on a common system for securing the flexibility of EEC rates of exchange vis-à-vis the outside world. Three proposals, which had been debated at the last meeting of the International Monetary Fund in Copenhagen, came up for discussion: (i) frequent changes in parities over narrow bands, (ii) a basic widening of bands and a temporary floating of rates of exchange. After the close of the meeting Mr. Schiller, Federal Minister for Economic Affairs, stressed the diversity of views of the EEC Ministers.

The Ministers were, however, able to agree on a procedure for trying to solve the problem of flexibility vis-à-vis the rest of the world. The Finance Ministers would meet in Belgium in June 1971 to hold a discussion on the subject at the invitation of Mr. Snoy et d'Oppuers, the Belgian Finance Minister.

The bands of the EEC currencies in relation to each other would be reduced from 1.5 to 1.2 per cent on 15 June 1971. This decision by the Finance Ministers was in accordance with the aims laid down in the plan for the establishment by stages of economic and monetary union. The President of the Committee of the EEC Central Banks, Mr. Carli, President of the Italian Central Bank, told the Ministers of the technical arrangements for close cooperation between the Central Banks, including special telephone lines between them with conference facilities. The planned narrowing of bands was described by Mr. Schiller as an experimental phase. Until the internal narrowing of bands was coupled with a common system to secure flexibility vis-à-vis the rest of the world, the EEC Member States would remain independent in regard to monetary policy, so that individual revaluations or devaluations would still be theoretically, if not practically, possible.

Mr. Schiller reminded the EEC Finance Ministers of the escape clause in the stage-by-stage plan, whereby the introduction of economic and monetary union would be cancelled if the sought-after stability within the EEC

were not achieved.

Mr. Haferkamp, the EEC Vice-President, announced a European Commission plan for common regulations laying down the bases of assessment of the value added tax and consumer tax before the summer recess. Mr. Haferkamp called upon the Finance Ministers to give the Commission a broader mandate and allow it to set maximum and minimum levels for rates of VAT and consumer tax. Then the prevailing highest rate of one Member State would serve as the upper limit, and the current lowest rate of one Member State the lower limit, for the whole Community. Only this could prevent divergence in rates of tax in the Community until the harmonization of taxation systems.

For 1971 Mr. Haferkamp announced a further Commission proposal to harmonize the types of tax affecting the flow of capital, particularly those taxes on interest earned on fixed-interest bearing securities and dividends. The Finance Ministers were agreed that as a result of the work done so far by the EEC Commission in this field, no kind of practical decision could be taken about the future form of these taxes.

Mr. Möller, the Federal Finance Minister, told the 'Handelsblatt' that for the implementation of fiscal harmonization in Brussels the best experts of all the countries would have to be brought together. He had referred the Finance Ministers to the German model.

(Frankfurter Allgemeine Zeitung, 28 April 1971;
Handelsblatt, 28 April 1971;
Die Welt, 28 April 1971;
Neue Zürcher Zeitung, 29 April 1971;
Luxemburger Wort, 29 April 1971)

2. Statements made in Rome by Mr. Haferkamp on Community policy on energy and fiscal and monetary matters

On 28 May Professor Haferkamp, a member of the European Commission, gave a press conference in Rome on Community policy on energy and fiscal and monetary matters.

He was optimistic about Britain's accession to the EEC, but added that the most important task now was that of organizing the economic and

monetary union. Recent events had shown Europe to be 'in extended order', adopting quite different attitudes from those decided upon at The Hague. It was a dangerous precedent which could later create serious difficulties, especially in an enlarged Community. A return had to be made to the system of fixed exchange rates and a common approach to monetary problems. This was the only way in which an energy policy could be worked out and fiscal harmonization achieved.

With reference to energy policy Professor Haferkamp pointed out that there were the Treaties setting up the ECSC and Euratom but there was no treaty on primary sources of energy. The individual countries were pursuing different policies and the interests at stake were considerable. The Community had to import enormous quantities of energy. Whereas Europe was more or less self-sufficient regarding the coal needed by the steel industry, the reverse was true as regards oil, which was the main source of energy despite the progress made in the nuclear sector.

Apart from recent increases in the price of crude oil, the Community was faced with a new strategy on the part of the producer countries so that the policies so far pursued were out of date: the Community had to find a way out of this situation.

After stressing the importance of relations between the Community and the producer countries and the need to develop technical cooperation between them, Professor Haferkamp said: 'We do not intend to undermine the activities of oil enterprises but to improve the conditions under which they work.'

He was very cautious regarding direct negotiations between States although he recognized that there would be no interference in foreign policy. But commercial policy had to be common to the Six and bilateral relations should not divert them from this common course.

As regards nuclear energy, the Commission directive was to enable firms operating in that field to get Community loans, particularly for carrying out programmes relating to enriched uranium.

As regards tax harmonization, Professor Haferkamp confirmed the time-limit of 1972 for the adoption of value-added tax in the Six. By the end of 1973 the bases of taxation should be harmonized. In the European countries there were 26 different types of consumer tax. The aims should be to harmonize the six or seven types that produced distortions in competition. It was

also necessary to harmonize taxes on bonds, dividends and fixed incomes. Professor Haferkamp trusted that it would be possible to double the quantity of duty-free goods that tourists resident in the Community were allowed to bring in with them.

(Il Sole - 24 Ore, 29 May 1971)

3. Speech by Mr. Spinelli on the future of the European Community

During a speech to the biannual meeting of the Permanent Conference of Chambers of Commerce on 11 June in Rotterdam, Mr. Spinelli expressed his opinion that enlargement of the Community might result in its dilution into a kind of free trade area. The history of the European Community and in particular the recent monetary crisis had shown that the major problem of building a united Europe did not lie in the number of members but in the weakness and inadequacy of its institutional structure. It might perhaps be more difficult to control a Community of ten countries, but the process of integration must be considered to have failed even in a Europe of the Six if those who bear responsibility did not quickly make allowance for the need to strengthen the organizational structure. In this connection the enlargement of the European Community was a positive factor because it removed one of the causes of political disagreement which so far had prevented real progress towards European unification.

Mr. Spinelli considered it surprising that the same governments which emphasized their desire for economic and monetary union were strongly opposed to structural reinforcement without which enlargement and economic and monetary union would be meaningless. Statements by various politicians, and in particular by Mr. Pompidou, showed that they too were concerned by this matter even though plans were still in an extremely vague stage.

'It is therefore important', Mr. Spinelli said, 'to avoid disputes on words and doctrines. We must work towards concrete objectives.' The main aim at present was what President Pompidou had called the creation of a European confederation with a government which would have genuine decision-taking powers and would not be dependent on the Governments of Member States but would have an adequate administrative apparatus.

At this stage Mr. Spinelli did not want to discuss the question as to whether the European Government should be developed from the European

Commission, the Council or a new institution. 'We must have a long-term plan and above all a clear and adequate procedure to set up the European government and ensure the gradual transfer of power from national to Community institutions. In this process, which will lead to a European confederation, full account must be taken of existing realities. These include beyond any shadow of doubt the national identity of States, but also the experience which has been gathered in close on twenty years of European cooperation. The tradition and democratic institutions of the various European countries are also a reality.'

'We in the European Community are confronted with a paradoxical situation. In all the countries the governments are faced with increasing pressure to increase the level of participation and popular control over political decisions. In the European Community it is believed possible to discuss and decide on the transfer of powers and the creation of a new European policy through a secret diplomatic conference.'

Mr. Spinelli thought this method was not only unacceptable but also unlikely to bring results. An institution capable of representing the will of the people must therefore be created immediately. The European Parliament was such an institution but it would obviously remain weak until it had real powers and the possibility of playing an effective role in creating Europe.

Mr. Spinelli concluded that the plans to strengthen the present Community structure and gradually establish the European confederation must be discussed, developed and approved with the firm support of the European Parliament. This also meant that Parliament must be elected as soon as possible by general European elections to enable it to perform such an important task.

(Handels & Transport Courant, 15 June 1971)

II. MOVEMENTS, ORGANIZATIONS AND PROMINENT FIGURES

1. European industry is disturbed by the monetary situation in the Community

In a statement to the press on 12 March 1971, the Council of Chairmen of the Union of Industries in the European Community (UNICE) expressed its concern over worldwide inflationary trends which had made their effects felt in the Community. It called upon Member States to adopt joint, concerted measures which would allow a harmonious development of economic, monetary and social policy. 'In the first place we must make sure that wages do not rise faster than productivity, otherwise there can be no solid foundation for an increase in the purchasing power of wage-earners.

The Governments must also take especial care to hold public spending within limits which are compatible with general economic equilibrium and they must prevent budgetary policy from being an additional inflationary factor.

On a more general plane vigorous measures should be taken by the Governments, the European Commission and both sides of industry to ensure balanced economic development in all the Community countries. This is the only way for Europe to hold in check the stresses which are apparent in the economies of Member States, and to maintain constant expansion while ensuring monetary stability.'

On 24 May, UNICE issued a further communiqué after the German and Dutch decision to float the DM and Florin. It underlined once again the concern already expressed in March. 'UNICE regrets that Member States have failed to face up to foreseeable events and take in good time measures which would have been less harmful and less extreme than the fluctuating exchange rate of certain Community currencies.

UNICE emphasizes that normal operation of the Common Market requires a fixed parity between Member States' currencies. It stresses the serious impact which monetary uncertainty may have on trade and calls for a return to the normal system of exchange rates at the earliest possible date.

Having regard to the difficulties which the Community has experienced yet again, UNICE believes it essential to pursue with greater vigour

and effectiveness the measures needed to make real progress towards economic and monetary union. In particular stronger efforts must be made to ensure closer coordination of the development of Member States' economies and a common approach to monetary problems both within the Community and in relations with non-Member States.'

(Conseil national du Patronat français, April and June 1971)

2. European industry states its position on the proposed statute for the European company

The Union of Industries in the European Community (UNICE) considers 'that a statute for European companies is likely to be a useful legal instrument and psychological contribution to foster international mergers; this is one of the aims which the European Commission and other interests concerned have defined for the statute. A condition for its practical use is, however, that the proposed statute must meet the requirements of the companies for which it is intended if they are to stand up to worldwide competition.

In this connection UNICE deplors the fact that the European Commission has presented to the Council of Ministers a proposal which has been prepared by its departments without proper consultation of the interests directly involved. Because of this lack of consultation, the Commission of the European Communities has lost the opportunity of drawing on outside information and experience. After examining this project, industry considers that the Commission's proposal is unacceptable in some respects and requires a thorough revision in others.'

UNICE believes that against the background of future harmonization of company law, the Commission's proposal represents on certain very important matters 'a synthesis of the most stringent provisions applied at national level in Member States and even lays down certain strict rules which do not exist in any Member State. In addition the proposed statute offers less possibility for efficient operation and management of the company than is the case under legislation in non-Member States from which the main competitors to Community concerns come.

The formula of the European company which has been designed as an instrument to strengthen the competitive position of European companies

would therefore have the opposite effect and weaken the situation of those companies which adopt this solution. These considerations concern in particular the representation of workers, the preparation of annual accounts and the rights of individual groups.'

With regard to the representation of workers in the European company, UNICE finds that instead of seeking cooperation between workers and management to eliminate causes of industrial conflict 'the projects grants the works committee certain co-management functions and lays down procedural rules of an inquisitorial and bureaucratic nature which will only help to create tension at company level.'

UNICE strongly rejects 'any other provision which would lead to institutional participation by workers in the supervisory board of companies.'

The UNICE opinion contains a significant passage on fiscal provisions applicable to the European company. If European industry 'shares the Commission's belief that the present arrangements for taxing companies which operate in several States through permanent establishments or subsidiaries is far from giving full satisfaction, it does not consider that the disadvantages of this system are less serious for companies which cannot or do not want to have the status of a European company than for those which do opt for this status. It therefore believes it essential for the proposed directives on the common fiscal system applicable to mergers, hive-offs and transfers of assets as well as to the common fiscal system governing parent companies and their subsidiaries to be adopted beforehand; these directives are referred to in the proposed statute of the European company and in the accompanying explanatory comments.

It considers that subject to the prior adoption of these two directives and having regard to the differences which exist at present between national legislations, the arrangements proposed by the Commission will enable the fiscal problems of the European company to be solved. UNICE would however like the benefit of the solutions proposed in the statute to be extended to all companies in Member States irrespective of whether they have the status of European companies.'

(L'Echo de l'Industrie, No. 4, April 1971)

3. The 'Scelba plan' for Europe

At a press conference on 15 April, marking the end of his two-year term as President of the European Parliament, Senator Scelba outlined his 'plan' for European unification.

The main points in the 'Scelba plan' are as follows:

1) The Heads of Government of the Member States will form a Government of the European Communities.

2) Each Head of Government will appoint a deputy in the person of a Vice-President of the Council of Ministers, who will exercise the powers of the Head of Government in all Community matters.

A Government of this kind would establish an organic link with national Governments and ensure the continuity of governmental activity in the Community. From time to time national ministers responsible for specific sectors could participate in a consultative capacity.

3) Immediate extension of the powers which will be granted to the European Parliament over the Community's operating budget after 1975 by virtue of the Luxembourg Treaty to all measures which have financial or legal implications for citizens of the Member States.

4) Election of the European Parliament by direct suffrage according to a procedure which each Member State will be free to determine on the basis of its own constitutional system, provided that democratic principles are respected.

5) For a transitional period, links could be ensured between the national Parliaments and European Parliament with a substantial number (one third) of the Members of the European Parliament elected from among the members of national Parliaments.

6) The number of members of the European Parliament laid down in the Treaties should be doubled.

7) The Executive Commission should be granted full independence. Its powers of initiative and decision-taking should be extended to all sectors of Community policy.

8) Members of the Executive Commission should be appointed by the Community Government subject to approval by the enlarged Bureau of the President of the European Parliament, i. e. including the Chairmen of the duly constituted political groups.

In practice a similar procedure is adopted in the United States of America for appointment to high offices of State.

9) The European Parliament would be given the supervisory powers which devolve on national Parliaments of Member States over actions of the Executive Commission and Community Government.

10) The Committee of Permanent Representatives appointed by the Community Government would be an auxiliary body. The members of the Committee could also be given the role played in the Member States by the Secretaries or Under-Secretaries of State but without political responsibilities.

11) The European Community, i. e. the three existing Communities, would take over the powers of the Western European Union (WEU) which would be disbanded.

12) The above measures should form part of the agreements on the membership of the United Kingdom and other applicant States.

Finally, Senator Scelba hoped that in the not too distant future we would no longer speak of the European Communities but of a single European Community which would also take over the powers of the Western European Union.

(Il Popolo, 16 April;
Corriere della Sera, 16 April 1971)

4. President Walter Behrendt calls for more powers for the European Parliament

Mr. Walter Behrendt, new President of the European Parliament, wants fresh consideration to be given to a complaint against the European Council of Ministers aimed at forcing direct elections to the European Parliament to be held as provided by the Treaties. As he explained in discussions with the journal 'Europa-Union' on 8 April 1971, however, he did not want to approach the Council of Ministers 'with forefinger raised'; on the contrary he wanted to try and win them over by convincing them.

Touching on the question of the lack of powers of the Parliament in Strasbourg, the President said that it was no longer 'acceptable that legal decisions applicable to 183 million people should go through, at the European level, without being subject to parliamentary control'. Mr. Behrendt called on the EEC Commission in Brussels at long last to submit proposals for strengthening the powers of the European Parliament. He agreed with the Council of Ministers that it was possible to bargain on the basis of Article 235 - and hence without making any change in the Treaty - about the European Parliament's right to participate in decisions on matters not directly concerned with the state of the Community. As an example he quoted the current discussions on a statute for a European company. 'In this context more could be conferred on the Parliament than the mere right of consultation.'

On 19 April Mr. Behrendt wrote in 'Vorwärts' regarding the functions and rights of the European Parliament: 'All my predecessors have joined with the members of the European Parliament in striving for more rights for this Parliament. These are quite simply inadequate. I should like the general public to be better informed on this point and to enlist its aid in this struggle.'

Similarly I should like to make the national Parliaments our allies because at the moment they are giving up powers to the EEC without these powers accruing to the European Parliament. Instead of that these former powers of the national Parliaments are being exercised by the Council of Ministers in Brussels which not only works in secret but is at the same time answerable to no parliament. As a democrat I find this situation intolerable. It will not, however be changed in one fell swoop.

I am first going to put practical proposals for a stage-by-stage procedure to the general public. Generally speaking, what I have in mind is that there would be a first phase in which the Council would state its willingness to adopt a procedure involving the European Parliament more closely.

This could be done without any amendment to the Treaty.

More powers through changes in the Treaty would first be achieved in a second phase. The creation of an economic and monetary union is bound to mean more powers for the European Parliament.

When I took office I said that I would attach quite a lot of importance to work with the general public. The European Parliament is in fact to a large extent unknown. So far as it is within my power to improve this situation I will endeavour to do so. I can assure you that I have already begun with this task.'

In Bonn on 4 May, Mr. Behrendt appealed for support for the European Parliament in its bid for greater powers of decision. At a meeting organized by Europa-Union on the occasion of Europe Day he explained: 'We want no Europe whose decision-making structure is not subject to supervision and which can no longer be controlled by the people. We attach great importance to making a distinction between ourselves and any dictatorship.'

Mr. Behrendt took further issue in Bonn with the continuing use of the veto right on the Council of Ministers over trifles: 'When it is simply a matter of deciding on provisions on the manufacture of beer or lorries, this should no longer be subject to delays as a result of the veto of an individual Member State.' Similarly, he called upon the Community of the Six to make a joint effort towards a settlement between rich and poor nations. This was a task it must tackle in its own interest because an improvement in the situation in the third world would also secure Europe's prosperity.

As Mr. Behrendt further explained, there was today everywhere 'a serious state of weariness with Europe'. It was clear that there was no national alternative to cooperation. He saw this particularly in the context of the fast growing international competition, which Western Europe could only contend with through cooperation. He warned, however, against regarding integration solely from the point of view of economic power. 'This Europe', he said, 'must give an example of social progress and so strengthen the rights of the worker so that he can become an effective counterweight to growing economic power. As soon as possible, therefore, we need to have European trade unions and European parties so that we may get the political infrastructure to control economic power.'

(Europa-Union-Dienst, Nos. 15 and 18, 8 April and 4 May 1971;
Vorwärts, No. 18, 29 April 1971;
SPD-Auslandsbrief, No. 10, 19 April 1971)

5. European Industry and enlargement of the Community

The Council of European Industrial Federations (FIE) consists of federations of industries belonging to the European Community and the European Free Trade Area. It has published a study on the economic objectives and problems raised by enlargement of the Community and in particular the economic and monetary union, the capital market and regional policy.

'European industry believes that the work now being done by the European Commission on economic and monetary union meets the requirements for integration in Europe. These proposals will lead to the creation of an economic area without frontiers within the Community which will become a single economic and monetary unit in relation to the outside world.

Clearly these objectives can only be achieved if the Member States enter into a binding commitment to progressively transfer certain responsibilities from national to community level.

It is possible that during the phase of progress towards an economic and monetary union, Member States may encounter difficulties, in particular in the sphere of their balance of payments. These difficulties may lessen the possibilities of economic harmonization. This also holds good for the new members of the Community, which will share in the process of harmonizing policies and economic objectives at a time when they will have to make the difficult adjustment of their economy to the conditions imposed by membership of the EEC. It would be particularly regrettable if progress towards the coordination of economic policies were endangered, or the monetary union seriously retarded, because a particular country might be incapable of maintaining the rhythm of integration. These delays will be avoided by making sure that the methods selected to establish the economic and monetary union and the agreements on the accession of the applicant countries to the EEC take into account all these facts.'

With regard to the capital market, the Federations believe that the progress of industry requires free movement of capital; also the State must abstain from allowing the public sector privileged access to the capital market. Today movements of floating capital are caused by differences of opinion concerning the risks and possible income, and this complicates the management of national economies. Ideally, exchange rates should remain stable; this is at one and the same time a condition and a consequence, because expansion rates are less unequal between the national economies involved.'

The Industrial Federations of Europe believe that 'regional policy must be the subject of a plan as an integral part of progress towards economic and monetary union. When capital movements are liberalized and the European capital market developed, it will be necessary to harmonize national regional policies to prevent these policies from having the effect of attracting too many industrial concerns to one region to the detriment of others.'

(L'Echo de la Bourse, 27 April 1971)

6. The former President of the Commission, Mr. Jean Rey, comments on the relationship between the EEC and Greece

For some time there has been a group of intellectuals in Athens known as the 'Society for the Study of Greek Problems'. This society includes leading scientists who are well known for their free democratic ideas.

On 29 April 1971 it organized a public debate in Athens on relations between Greece and Europe. Various speakers expressed their faith in the objectives of European integration and advocated closer economic, political and cultural links between Greece and the democratic countries of Europe. The former professor of economics, Mr. Ioannis Pesmazoglou, who played a decisive role in the negotiations leading up to the Treaty of Association between Greece and the European Economic Community, spoke in favour of a 'European policy in Greece'.

Mr. Jean Rey, the former President of the European Commission, gave a lecture at the invitation of the Society. He began by describing the latest developments on the question of European integration and expressed his general optimism.

In the second part of his lecture, Mr. Rey examined relations between the EEC and Greece, and stressed ideological and political aspects of the problem. He said that a régime could be called democratic if it guaranteed basic rights and had a freely elected parliament. But in speaking of democracy in Athens, he was bound to reflect the concern felt by Europeans about the situation in Greece. Mr. Rey then outlined the reasons for which the EEC had decided to freeze its relations with Greece. The Treaty of Association concluded between Greece and the EEC on 9 July 1961, which came into force on 1 November 1962, had both economic and political aspects. As far as the economic aspect of the agreements was concerned, the Treaty

of Association had not been suspended. However, as regards the political side of the agreements the EEC had decided that continuation of work to harmonize agricultural policy and grant further financial aid to Greece would be impossible. This policy was due in no small measure to the fact that the practical operation of the Treaty of Association had become impossible because no Greek deputies could represent their country on the Joint Parliamentary Association Committee. The EEC deeply regretted this situation. It was, however, to be hoped that it would change one day. The political history of Europe proved that Pascal's aphorism on truth also applied to freedom: 'It is eternal and omnipotent like God himself.'

Mr. Rey's lecture elicited a vigorous response from government circles in Athens. The newspapers 'Eleftheros Kosmos' and 'Nea Politeia', which support the régime, published a statement by 'officials closely connected with the economic development of the country' in which the former President of the European Commission was criticized for 'irresponsibility' and 'making political capital'. On 2 June 'Nea Politeia' published a leading article in which Mr. Rey was represented as falsifying the character and tasks of the EEC. The author of this article stated that the EEC was not an ideological Community but based solely on the common economic interests of the Member States.

(Neue Zürcher Zeitung, 9 June 1971)

7. The Europa-Union criticizes the unsatisfactory course of European policy

On 5 May, which the member countries of the Council of Europe celebrated as Europe Day, the Europa-Union expressed the view that not enough progress was being made with European unification.

On these grounds, Mr. Gerhard Eickhorn, General Secretary of the Europa-Union, made the following statement on 3 May: 'The celebrations being held from 5 to 9 May on the occasion of the anniversary of the founding of the Council of Europe and the European Communities - must be regarded as an opportunity for the Europa-Union to draw attention to the unsatisfactory progress being made with European unification. Once again astonished tourists at the internal frontiers of the EEC will note, during the forthcoming Whitsun holiday, that Europe is not there for them because frontier controls persist, even though it is three years since the customs union came into operation.'

If a person not only travels as a tourist in the other EEC countries but also wishes to settle down there and take a job he will find that he cannot take his citizen's rights with him. A foreign worker is, despite the EEC regulations and the Council of Europe agreements, still a second-class citizen. On his behalf, therefore the Europa-Union demands that he should at least have the right to vote in local elections denied him in his second home in Europe.

More democracy in Europe - which includes direct elections to the European Parliament. This is laid down in the Rome Treaties and has been advocated by the European Parliament for over ten years, since 17 May 1960. That is also an anniversary but of course it is a sad one ! Direct elections should ensure that the citizen can himself determine who is to formulate policy in Europe. There is nothing to prevent the unilateral direct election of the European members in the countries prepared to go ahead with this - which has been for a long time advocated for the Federal Republic by the Europa-Union.

A 'European Parliament' without sufficient powers is, as we understand the language of democracy, no true parliament. It is unacceptable for legally binding decisions to go through at the European level for 180 million people without parliamentary control.

The Europa-Union advocated a currency for Europe in 1968. In 1971 the European Council of Ministers decided on the design for economic and monetary union without agreeing on the Community instruments necessary for this purpose. The Europa-Union sees it as its duty to bring pressure to bear on the governments to make up for what it has let slip before the end of the first stage to protect the people of Europe against financial loss. A Community that is already producing crises in the agricultural sector and which at present has no power to negotiate in the economic and monetary sphere would be a costly business for the citizen.'

(Europa-Union-Dienst, No. 17, 3 May 1971)

8. Mr. Triboulet discusses the enlargement of the European Communities

On 4 May 1971 Mr. Raymond Triboulet, President of the U.D.E. Group in the European Parliament, gave a lecture on 'the true Europe and the United Kingdom'.

After considering the various phases of the process of building Europe, Mr. Triboulet discussed the problem of the enlargement of the Communities and especially the 'three black spots' in the negotiations with the United Kingdom: a) Britain's contribution to financing the Community; b) Britain's imports of foodstuffs, and c) the reserve currency role of sterling.

These difficulties could not be overcome without mutual understanding, particularly on the part of the British who had to realize that they were negotiating with a Community 'in which a Community spirit exists'.

'Yes, the Community spirit has grown up out of the success of the European Economic Community and this spirit finds expression at both the technical and the political level. At the technical level you must realize that in the Community bodies everyone has gradually acquired this common spirit. We have 142 parliamentarians including 36 French, 36 German, 36 Italian. We have 101 members of the Economic and Social Committee. It is said that the Parliament is only a Cinderella. It was a British review which wrote: "It is hardly more than a debating club". In fact the European Parliament plays an important part because it is referred to by the nine European commissioners and their departments, their statistical services which are made available to us, their technical experts - not to use the word "technocrats" - who prepare all the texts; the Parliament is apprised of all these texts at a time when in most of our countries we no longer see even the most important regulations and laws are no longer any more than "outline" laws. All texts are sent to the European Parliament for its opinion. We amend them. It is the Council of Ministers which finally adopts them and our amendments are almost always taken into consideration by the Ministers. The Ministers are politicians who argue that the technical departments must have been rather inflexible, that they were not obliged to bow to pressure from any specific lobby and that by making the texts more flexible, the Parliament's amendments give them a certain guarantee of political viability.

Hence the Parliament, which is only a consultative body, very often does effective work in amending texts, and neither Article 40 nor any other article of the regulation is any obstacle to this, as is the case in certain national Parliaments.

I think that the European Parliament already plays an important part and as things are at present we must not be shocked by the fact that it is to some extent the Council of Ministers that legislates. In fact when it issues directives, when it takes upon itself the responsibility of deciding on regulations like any other executive authority, it is the only way - as things are at present and at the stage we have reached in Europe - of not having the national Parliaments in the opposition against us. If it were we, the European Parliament, who voted these directives as of right and who exercised legislative

power, our 550 colleagues in the French National Assembly, for example, would never agree to a mere twenty-four of their members passing European laws which took precedence over national legislation. At present they accept some of them with a full knowledge of the facts and others perhaps because they are not very much aware of the problem, but they agree to the six Ministers - of agriculture, foreign affairs, etc. - adopting texts because each of them is answerable to his national Parliament. It is because he has the power delegated to him that he takes decisions on these various problems in Brussels.

But we, the European Parliament, who have no legislative power - and I believe that at present this is wise - nonetheless play an important part, that of amending texts, and more often than not our advice is acted upon by the Council of Ministers.

A quite remarkable feeling of friendship between Europeans has grown up between political groups and nationalities both in the Parliament, the departments and committees, and between the national experts and the Permanent Representatives of the Ministers in Brussels and their departments. All these people have grown accustomed to working together. And Britain must not ignore this fact.

Britain would be wrong to ignore this because the experts who give us all the facts we need for our decisions have great authority. We consider them to be impartial in providing us with figures that it is not in their interest to falsify. And the six countries gradually come to conduct their discussions on the basis of the figures provided by these experts at negotiations which are extremely difficult and in which the unanimity rule operates in favour of the Community spirit. I will not dwell here on the value of the unanimity rule, but the fact is that it has created a habit of compromise among the Six which really does bring into being a spirit that needs to be borne in mind. (On important problems the six Ministers ring up to find out whether their Government is in agreement, and come back saying: "We can.").

The proposal of the British regarding their initial contribution to the Community budget is a serious blunder. All who want Britain to join the Common Market are very sorry about it. Sorry because it might perhaps have been a good point of departure for negotiations on traditional lines. One says three per cent, thinking one may perhaps give way at six, etc. . . . , but for negotiations with the EEC, which is remarkably well equipped statistically and where France, Germany and Italy negotiate the percentage contributions to the nearest one per cent, when the experts say that the figure should be 12 per cent, then 12 per cent must be regarded as reasonable. The British say: "Make us reasonable proposals." I am astonished to see them quoting figures of this kind. '

In conclusion, Mr. Triboulet called on the United Kingdom to 'commit itself to Europe'.

'Now we are ready for our part not to follow the advice of our experts to the nearest figure. I am convinced the Six are ready to make concessions. We ask Britain to show some understanding. If Britain is to work with the Community and if it wants to come in, it must change its proposals to some extent to bring them closer to the figures of the experts. It must above all give us the feeling that its Government is committing itself to Europe.'

(Les Conférences des Ambassadeurs, No. 53)

9. Teaching problems in the Europe of the Six

In May and June there were two meetings of teachers in the Europe of the Six.

(a) The Committee of the European Teachers Trade Union

The Trade Union Committee held a meeting in Berlin from 4 to 6 May 1971 with an eye to the first European inter-ministerial conference on training and education. After this meeting the Committee published a resolution in which it recalled that the Community texts (stemming either from the Rome Treaty or from the institutions set up for its application) contained a great many decisions on education and training, particularly occupational training, and regretted that these had not yet been acted on.

It stressed that a real European policy for teaching, education and permanent training should be directed not only at ensuring Europe's economic development but above all at promoting the social advancement of workers. Consequently the forthcoming inter-ministerial conference must serve to establish the range of Community tools to be harnessed to the service of such a policy.

As regards the essentials for the immediate future, the Committee demands that this conference should at the very least conclude with a joint undertaking to resolve the crucial problems outstanding in each of the six

countries within a short period, and that this should be done in relation to a clearly visualized and frankly accepted Community policy.

Being aware of the complexity of the problem and bearing in mind the recommendations of the International Labour Office and UNESCO, the Committee stated that this problem would only be resolved if there were standing consultations between freely organized educationalists and teachers of whom it was the mandatory.

Within the trade union organizations it comprised it had decided to conduct a general information drive geared to achieving the following main objectives in the six countries of the European Community:

- 1) a democratic overhaul of educational systems, including universities, by reference to a Community design;
- 2) an undertaking to promote the scientific, technological and vocational progress necessary for Europe's immediate future;
- 3) consideration of the economic, social and institutional realities of Europe in the education of the citizen;
- 4) a reassessment of the material and moral status of the teacher, bearing in mind the fundamental task that he has to carry out;
- 5) the possibility of teachers being able to circulate freely throughout the Community through mutual recognition of training and qualifications, adaptation of administrative regulations, harmonization of pay rates and the preservation of social benefits;
- 6) facilities for teachers to round off their training in other Member States.

Lastly the Committee demanded the right to regular consultation at every national or Community level of authority likely to contribute to the establishment of a European educational system. Such consultations should run parallel to and be consistent with the practice for each national trade union organization responsible at this level. The Committee also decided to step up the research essential to effective trade union action and, as part of the information done, to organize meetings at the frontiers - on the initiative of its consultative organization - to make teachers more aware of the situation; this, with a view to the first European trade union conference on education which the Committee envisaged holding in 1972. '

(La Tribune, May 1971)

(b) The Committee of Socialist teachers in the European Community

This Committee was set up on 29 December 1970 by the Bureau of the International Union of Socialist Teachers. It comprises members appointed by the Associations of Socialist teachers in the Member States of the European Community and its main aims are to look into the general problems of teaching and education at Community level and to decide its attitude to them.

The Committee of Socialist Teachers held a congress on 2 and 3 June 1971 to study the report by the ad hoc group in preparation for the meeting of the Ministers of Education of the six Member States. After the congress the Committee drew up a note stating the position of the Socialist teachers.

1. The cultural and educational aspects of these problems cannot be dissociated from the economic and social aspects and vice versa.

European culture cannot be conceived solely as a way of safeguarding the special characteristics and ways of thought of the various countries by reference to common roots. It must be dynamic and firmly directed towards the future and open to contributions from all other forms of civilization.

Education must be democratic. It must promote freedom of study, mutual respect and participation. Education is the basis of the development of peoples. It must be the main function and concern of every government. It must be available to all.

The legal framework of the Treaty of Rome does not allow us to achieve these objectives in full and it must be enlarged.

2. The socialist teaching staffs fear that the principle of freedom of establishment may institute a form of organized teaching geared to the market economy. They recall the political, civic, cultural and human objectives of education which constitute the basis of socialist theory. These aims can only be achieved through integrated schools (of the comprehensive type).

The number of years a child spends being educated must be reappraised within the framework of a general policy for permanent or recurrent education. The new structures must make provision for a many-sided and longer basic education.

3. Cooperation in the field of education is essential at every level. In basic education (primary and secondary) not only must the educational systems be coordinated but provision must be made for institutions allowing for migrant workers' children to continue their studies. These "European" schools must not be reserved solely for the children of officials of international bodies or constitute the educational system of a caste. There must be a great many of them and they must be open to all, without reference to status.

The creation of specialized European higher education establishments (at the level of the first or second cycle) would lead to discrimination and promote a class-based teaching system. The creation of "centres of excellence" is desirable to bring together the teams and material essential for advanced research. They cannot be devised except at the level of the third cycle.

4. The socialist teaching staffs agree with setting up a European centre for the development of education:

- the centre should compile facts and figures on structures, prospects and various ways of management within establishments (powers of teachers, parents, students, organizational powers . . .);
- there should be permanent links with associations representing the various categories concerned;
- the centre should initiate and organize pedagogical research and promote the implementation of international research programmes, especially in the field of pedagogy, at every level.'

(Document forwarded by the Commission des Enseignants socialistes de la Communauté européenne)

10. Talks with Mr. Hans Furler, Vice-President of the European Parliament, on new moves to promote European integration

Interviewed by the weekly 'Das Parlament' on 8 May 1971, Dr. Hans Furler, a CDU Member of the Bundestag and Vice-President of the European Parliament, stated his views on the institutional aspects of European unification.

On the relationship between the Parliament and the Council of Ministers he said: 'The Council of Ministers has the supreme powers of decision and legislation in its hands. But in fact it is not often in a position to do or live up to what the European Parliament and the European public expect of it. This has less to do with the conservative nature of the six ministers of the Council than with their national ties. Theoretically there are only two changes possible to remedy this: (i) for the Council to be able to take majority decisions on all questions, which is something which certain countries, and especially France, do not want, or else (ii) for the parliamentary system to be put into practice and for the Council to be made subject to the control of the European Parliament, as is the case with the Commission. I have for many years championed this progressive solution.'

Dr. Furler dealt further with the statements by the French President concerning the political organization of Europe and with the proposal to set up a standing cabinet of European ministers: 'In my opinion the statements made by Mr. Pompidou, the French President, should not be taken as practical proposals but as theoretical comments on the development of Europe. It is very much to be welcomed that Mr. Pompidou has pointed the way to a European State with a government transcending national sovereignty and a genuine parliament with legislative powers and a right to influence the government. I approve of these ideas because they are identical with the aims of the Europeans and of past and present German policy. More details are needed but discussions have already been held in responsible European circles as to how the ideas of President Pompidou can be given practical shape and put into effect.

A cabinet of European ministers does not seem to me to be a very good idea. To begin with, the problem of European ministers is very difficult because every national government would endeavour to bind this European minister to the decisions of its own cabinet. A European minister in Europe would not be likely to obtain the independent powers he would need for this new Europe to speak with its own voice and take decisions on vital points. A European government would have to have one or two independent specialist ministers and a foreign and defence minister who could pursue an effective European policy independently of the nation States. The natural consequence, which President Pompidou also foresees, would be for this European cabinet to be responsible to the new European Parliament.'

In conclusion, Dr. Furler described the political significance of the economic and monetary union as follows: 'I think that a common economic policy and a single currency for the States of the Community, including the applicant States, would have a greater effect on unity and permanently bind the States much more closely together than any common external policy decisions could do. I do not wish to say of course, that a common external and defence policy is not necessary. Both fields must be brought within the

scope of a political union and a common Europe ... First of all, though, the European Community has to assume its final form as a State.'

('Das Parlament', 8 May 1971)

11. Reactions of the European Left to the Council of Ministers' decisions on the monetary crisis

In a communiqué issued on 13 May 1971 the French branch of the 'European Left' stated: 'The present monetary crisis and the conclusion that the Council of Ministers in Brussels have just endorsed, under pressure from the Finance Minister of the German Federal Republic, clash head-on with any prospect of consolidating the Community, which the European Left considers must be done. These decisions are incompatible with pursuing the common agricultural policy as they are with any headway towards monetary union. Now - just as it did when the fault lay with the Gaullists in power - the French branch of the European Left takes issue with anything threatening the development of Europe or conflicting with the European spirit.'

(Le Monde, 16-17 May 1971)

12. COPA (Committee of Professional Agricultural Organizations) comments on the monetary decisions and their repercussions on agricultural prices

Following the resolution of the Council of Finance Ministers of 8 May 1971, which allowed one or two Member States to introduce floating rates of exchange for a limited period, COPA has examined the situation arising in the Community.

COPA expressed its concern about the danger that the economic and monetary union set up by the Council under the resolution of 22 March, and the customs union itself (particularly in agriculture) might again be called into question.

Faced with this extremely serious situation, COPA urged:

- 1) that the uncertainty brought about by the introduction of floating rates of exchange be dispelled as soon as possible;
- 2) that all appropriate non-discriminatory measures be taken in the meantime with regard to the various agricultural products, so as to avoid any disturbance of the flows of trade in agricultural products and above all any reduction in their market prices of these products.

It was in fact unacceptable for the farmers of any Community country to have to pay, in the form of reduced incomes, for a failure to integrate the economic, monetary and financial policies of the Community.

COPA pointed out once again that the present system of fixing agricultural prices would remain inoperative until the Council set up an effective economic and monetary union. Only such a union would prevent any repetition of the monetary speculation which was continuously threatening the real value of the prices obtained by the farmers.

The monetary squall had naturally aroused serious concern in agricultural circles in Italy too, both because it was feared that the uniformity of prices would be suspended and because of the possible distortions in the pattern of intra-Community agricultural trade. Despite the shortcomings of the system established by Brussels and the disappointments about the decisions of 25 March, the Italian agricultural community considered the common agricultural policy as a safety anchor for good order on the markets and for the drive towards structural reorganization. It was however to be expected that every disturbance due to causes outside agriculture would give rise to concern, especially at a time when the completion of the common policy was necessary to provide greater discipline in the markets and to act as an incentive to business investments.

(Il Sole - 24 Ore, 15 May 1971)

13. The conference of the Socialist International in Helsinki

The conference of the Socialist International was held on 25 to 27 May 1971 in Helsinki.

A number of resolutions were passed, among them one on the enlargement of the Common Market which includes the following statements:

1. The Socialist International considers it important that if the negotiations lead to conditions which are mutually acceptable to the applicant countries and Member States of the European Community, all the other democratic members of EFTA should find an adequate formula for cooperation with the EEC. The Socialist International calls upon the EEC and the applicant countries to respect in their negotiations on the enlargement of the Community the obligations which exist between the members of EFTA and FINEFTA. In this way Sweden, Switzerland and Austria could participate in the process of economic integration in Europe in accordance with their position as neutral countries. The enlarged EEC should seek to arrive at a special agreement with Finland which is also a neutral State.

2. An enlarged Community should also

- (a) prevent the erection of new commercial barriers in Western Europe;
- (b) extend the possibilities for exports from the developing countries to the Community and guarantee at the same time substantial aid to these countries from the Community;
- (c) take every possible initiative to foster technical, scientific and commercial exchanges with the Eastern countries.

3. The Socialist International notes the opinion expressed by the member parties of the EEC which, since the existence of the Community, has enabled -

- (a) a high and constant level of economic growth to be achieved in all the Member States;
- (b) trade between Member States and between the Community and the rest of the world to be stepped up considerably;
- (c) the basis to be created for a substantial improvement in the social conditions of the working population of the Community

and

- (d) the problems of the decline of certain regions to be faced more effectively.

4. The Socialist International believes that in an enlarged Community the Socialist parties should work to:

- (a) establish a structure by which the workers' representatives can exercise effective democratic control and real legislative powers in the Community;
- (b) closely coordinate their action against the monopolies represented by international and national groups as well as entrenched interests;
- (c) guarantee full employment, improve the social security systems and raise the standard of living;
- (d) bring about a substantial improvement in the status of workers both in companies and in society;
- (e) coordinate and support the interests of public enterprises and in particular public industrial projects.

During the conference Chancellor Brandt made a detailed statement on the problems of integration. In his opinion it should be remembered that 'this association, which is unique in the history of States, has as its aim the creation of a political will. The enlargement of the Common Market will lead not only to quantitative but also to qualitative growth.'

When the EEC was enlarged, the aim must not be to create a citadel behind whose walls countries could be entrenched. The Community must recognize the task of cooperation in Europe. It must also see itself as a component of the future order of peace throughout Europe and must understand once and for all its continental responsibility.

In this connection the Chancellor warned against an 'ideological contraction of this process' by the Social Democratic parties and trade unions. There was no question of creating a socialist or social democratic Europe. On the other hand, more was at stake than the creation of a Europe of business-enterprises. The final objective must be a Europe which would be a living and as far as possible exemplary body in the spheres of social justice, equality of opportunity and democratic participation.

(Die Welt, 27 May 1971;
Tribune, No. 12, June 1971;
Bulletin of the Socialist International)

14. The Trade Unions in the EEC - 20th European Conference in Recklinghausen

The 20th European Conference of the German Trade Unions Federation (DGB) was held in Recklinghausen under the auspices of the Ruhr Festival in mid-June 1971. The following theme was chosen for the discussions between trade unionists, politicians, publicity experts and the EEC representatives: 'The European Confederation of Free Trade Unions (EBFG) in the Community - a new force for Europe'.

A European trade union secretariat has already been in existence for many years in the framework of the International Confederation of Free Trade Unions. But successful action at EEC level only became possible in 1969 when the EBFG was founded. The national trade union associations represented on the EBFG have over 12m members today. But its real influence on the decisions taken by the EEC institutions is still very small. This led to the unanimous demand in Recklinghausen for a programme of trade union principles and action in the European Community.

The Vice-President of the EEC Commission, Mr. Wilhelm Haferkamp, called upon the trade unions to cooperate continuously with the Commission. In his opinion they should always speak from a position of European unity when faced with the cumbersome structures and decision-making machinery of the EEC. The EEC Commission, to which the Rome Treaties gives the right to take initiatives in Community policy, would support the unions.

The European trade unionists vigorously criticized the shortcomings in the democratic structure of the European Community. Criticism was levelled above all at the European Parliament's inadequate powers and the inability of the different social groups to participate in determining European policy.

Agreement was reached in Recklinghausen that European workers were strong enough to create a new force in favour of a democratic and socially just Europe. Of the 60 million or so persons employed in the EEC area, some 33 per cent were organized in trade unions but were split into several different party-political and ideological groups.

Relations with the communist-led trade unions in Italy and France were also discussed. The Chairman of the DGB, Mr. Vetter, who is also Chairman of the EBFG, stated that cooperation with these unions would only be possible if they were committed to the principle of a united Europe. Until

this point was clarified cooperation was out of the question. However Mr. Vetter did not exclude the possibility of joint action in certain limited areas.

Relations with trade unions in the applicant countries, Britain, Ireland, Denmark and Norway, also appeared difficult to maintain. The Scandinavian trade unions, which were not represented, came in for sharp criticism in Recklinghausen. The leader of the DGB, Mr. Vetter, accused them of refusing to participate in discussions with their EEC colleagues.

There was no shortage of ideas to foster more active trade union cooperation at the EEC level. The most interesting proposals, especially those made by Manfred Lahnstein, Mr. Haferkamp's principal assistant, were as follows: creation of greater solidarity through a common strike fund, permanent cooperation between the scientific institutes of the national trade union associations, foundation of a European Trade Union Academy, regular discussions between monetary experts of the trade unions, appointment of permanent trade union representatives to the EEC institutions in Brussels, and more active work in other countries by national trade union organizations, especially in specific branches of the economy.

(Das Parlament, 19 June 1971)

15. Study conference on institutional problems of a United Europe held by the International European Movement on 4 and 5 June at The Hague

On 4 and 5 June the International European Movement held a study conference at The Hague in conjunction with the International Action Centre for European federalism. The conference, which dealt with the institutional problems of a united Europe, was intended to pave the way for an international European congress due to be held at the end of this year or early next year.

The working document compiled by Professor Maas, the Director of the European Institute in Leiden, deals with the organization of a European government and its relationship with other Community institutions. Professor Maas assumes that the accession of new countries to the Community will not lead to a change in the institutional structure as laid down in the Treaties of Paris and Rome. As regards the Luxembourg Agreement, he notes that there is no reason to condemn or shelve it altogether. When the Community is enlarged, all the Member States must show a firm determination to adapt

the institutional structure in such a way that the Community is able to function effectively and attain its objectives, having regard to the ultimate political aims of European integration. The institutions of the enlarged Community must seize every opportunity to strengthen the operations of the system, in particular by amending their internal regulations. The major institutions of the European Community would be as follows in the final phase: a Parliament and a Council of Ministers, both at Community level. The Parliament would consist of two chambers, the Chamber of the People and the Chamber of the States. In the Chamber of the People each member would represent about 500,000 citizens. The members of this Chamber would be elected by a system of general direct elections, the precise details of which would be worked out later on. A mixed system would be preferable, characterized primarily by application at regional level of the principle of a single, transferable vote and at European level by the principle of proportional representation.

The Chamber of the States would consist of 120 members in the same ratio as that provided for weighted votes in the Council of Ministers of the enlarged Community, with the proviso that Luxembourg would have only two seats. The members of this Chamber would be elected by direct general elections according to a procedure which each country would determine for itself on the basis of its own constitution, respecting democratic principles.

The Council of Ministers, based on the collegial principle, would consist of 15 (?) persons elected by the Parliament (possibly from among its members) by a system of single, transferable votes in such a way that each important group would be represented. The Council would not have more than two members of the same nationality.

Legislative and budgetary powers would be exercised jointly by the Parliament and Council. The two Chambers would forego the right to make amendments. The Council would generally have the right to take initiatives. But if the Council failed to take action when called upon to do so, the Chamber itself would be entitled to set the legislative procedure in motion.

Executive power would rest with the Council on the basis of directives to be worked out in cooperation with Parliament and under parliamentary supervision. The Member States would generally take part in the implementation of Community legislation unless otherwise stipulated by law.

As a possible intermediate stage, the working document refers to the transformation of the present European Parliament into a Chamber of the People. Legislative powers could be exercised through a system of 'supporting opinions' by the European Parliament instead of 'compulsory consultation' as at present. The Parliament would then reach its decisions on measures

already approved by the Council of Ministers.

The Commission must be transformed into a Council of the Community. First of all the members of the Commission must be appointed by the Council of Ministers (after consulting Parliament) and in the second stage they would be appointed by Parliament acting on a proposal of the Council of Ministers.

According to Professor Maas, the central problem would be to find a method of transforming the Council of Ministers into a Chamber of States.

During the discussions a British speaker expressed the interesting opinion that the keenest opponents of Britain's entry to the EEC included those very people who would be most interested in strengthening the position of the European Parliament once Britain became a member.

The Chairman of the European Movement in the Netherlands, Mr. Molenaar, said that interest must be aroused in the European Parliament on the basis of issues and not of institutions. The most important problems arising at present could only be solved at European level, and a European Parliament was needed to make sure that this was done in a democratic manner. The European Movement must work through the political parties, the trade union movement and other professional organizations.

The Secretary-General of the European Parliament, Mr. Nord, said that one fundamental problem was to determine whether the European Commission was the embryo of a European executive or whether the latter must originate from the national governments. There were two arguments in favour of the latter opinion: a) the Commission behaves as a second secretary of the Council and does not use its powers to the full; it allows itself to be guided by the Permanent Representatives and does not present its own proposals; b) the Commission has no European political infrastructure (a genuine Parliament). If the governments are to provide the basis for an executive there is, however, the disadvantage that the very institution (the Commission) through which the Community differs from all other international organizations, would be eliminated. Ten ministers of European affairs were not enough to form a European government. According to Mr. Nord, the position of the Commission should therefore be strengthened by enabling the European Parliament to influence the appointment of members of the Commission and by organizing general direct elections to the European Parliament. Only in this way could a political infrastructure be created for the Commission.

Mr. Hallstein pointed out that people were increasingly coming to realize that the 'finalités politiques' were still a vague concept. This had become particularly apparent since the decision to ask applicant countries to accept those ultimate political objectives. Mr. Hallstein believed it was impossible to state an opinion on proposals for an interim period (in accordance with President Pompidou's concept) without knowing what the final objectives were. The French President had merely assumed what the final form of the Community might be; acceptance of his proposals would imply a substantial shift in the centre of gravity towards the Council. On the other hand the multi-stage plan proposed by Mr. Barzel, the CDU Leader in the Bundestag, attempted to clarify the content and dates of the subsequent stages.

In addition, Mr. Hallstein believed that the word confederation was also used in French to denote structures which were in fact States. This was apparent from President Pompidou's own words: he spoke of a 'European Government' and only a State has a government. There was, however, a risk that the principle of confederation might be used to gratify a demand for unanimity and even double consultation. Unanimity was an impossible solution, Mr. Hallstein said. For the ultimate aim of European unification it would be necessary to work on the basis of the 'whole federal tradition'. Completely new problems arose when a federation is formed. Discussions on the position of the Commission seemed irrelevant to him in this connection.

Summarizing the discussions, Mr. Rifflet said that agreement had been reached on a large number of points. He found that preference was still given to the objective of a federal Europe. In the European movement, people wanted political as well as economic integration. It was generally agreed that the European Parliament must play an important part although the younger members were sceptical about the workings of the parliamentary system because of experience at national level. Finally, general regret was felt at the slow progress of the Community institutions. Mr. Rifflet thought that the main point of disagreement was the question as to whether there was a 'categorical imperative' leading to a united Europe. He felt a clear 'choice and will' were necessary; a precise tactic must be laid down. There was no common ground between what the European Movement wanted and what the French President Pompidou wanted. According to him, President Pompidou's success stemmed from his proposal that something be done right away. 'The world will not wait until 1975.'

Finally the speaker expressed his opinion that the European Movement must have close links with both sides of industry, the political parties and the Community institutions.

('Nieuw Europa', No. 7/8 - July/August 1971)

16. Statement by the Permanent Conference of Chambers of Commerce in the European Community on the subject of floating currencies

The Permanent Conference of Chambers of Commerce and Industry in the European Community held a meeting in Rotterdam on 11 June attended by representatives of organizations of the Chambers of Commerce in Britain, Ireland, Sweden, Norway, Spain, Turkey, Greece, Austria, Yugoslavia and Israel: the Conference issued a statement expressing its regret and disappointment over the 'present monetary crisis in the European Communities, caused by the decision of the Netherlands and German Governments to allow the exchange rates of their currencies to float'. The statement stresses the need to create appropriate instruments enabling speculative movements of capital to be restricted and guaranteeing that problems of this kind will in future be solved solely by Community methods and action.

In its statement the Permanent Conference expresses its great regret that the Governments of the six countries of the European Community have not succeeded in deciding on common action to overcome the serious crisis in the monetary sector. Business interests were facing grave problems as a result of the floating exchange rates which make it particularly difficult to calculate prices for internal and external trade. Floating exchange rates might also entail serious risks for investment activity and this might in turn endanger the security of employment.

Turning to the causes of the monetary crisis and world inflation, the Permanent Conference believed that the essential factor was the inadequacy of the international monetary system and the increasing American balance of payments deficit. It believed the United States would be able to improve the present critical situation by reducing this deficit, but that in the meantime the European Community must take internal measures and propose international action to overcome the present difficulties. The European Community must attempt to reach immediate agreement with the other major economic powers on the adaptation of the international monetary system and on a rational policy to combat inflation. In addition a return must be made as soon as possible to the system of fixed exchange rates, and ways must be found of neutralizing short-term capital movements. According to the Permanent Conference, the coordination of economic policy throughout the Community should be speeded up.

(Handels & Transport Courant, 16 June 1971)

17. European agriculture and the enlargement of the Community

The Committee of Professional Agricultural Organizations (COPA) organized a meeting with the leaders of the three agricultural organizations of the United Kingdom. This meeting took place under the chairmanship of Mr. Berns, President of COPA on 14 and 15 June 1971.

On this subject the weekly magazine 'L'Agriculteur', the organ of the Boerenbond¹, gives the following report: 'The agenda included (i) a discussion on the annual report on the agricultural situation; (ii) a discussion by farmers on the consultation of those professionally engaged in agriculture by the Community authorities; (iii) a discussion of the problem of agriculture in the less favoured regions; and (iv) a discussion of the economic organization of farmers, particularly marketing boards. Problems relating to the transitional period, relations between the enlarged Community and non-applicant third countries (in particular in EFTA) and future relations between the Farmers' Unions and COPA were also dealt with.

The various delegations were unanimous in the view that consultations between the Commission and the agricultural profession should be institutionalized by means of a Council regulation. The purpose of these obligatory consultations should be the preparation of a report on economic and social conditions in agriculture and among farmers, and future prospects for them. Consultations should involve a discussion with the Commission leading to the preparation of the annual report which should also comprise the conclusions reached by COPA. The preparation of this report should precede the elaboration by the Commission of its proposals on prices and other measures accompanying them concerning which the agricultural Community should also be consulted. The meeting also decided to call for effective consultations on all other measures involved in the development of the common agricultural policy.

The annual report must be presented to the Council, to the Parliament and to the Economic and Social Committee. It is therefore very important for COPA to be able to make contact with these official bodies at least once a year, when the annual report is being examined, to explain the views contained in the report.

The agricultural organizations of the Member States and the United Kingdom noted that in an enlarged Community the problems of agriculture in the less-favoured regions, notably hill and mountain areas, were even more serious. It was recognized that maintaining agriculture in these regions implied special measures which should directly or indirectly enable farmers to

obtain an income in keeping with the capital they have invested and the work they do.

The various delegations agreed that the economic organization of farmers had to be maintained and made more effective. They noted that marketing boards created on the initiative of producers and controlled by them had played an important part in the organization of the agricultural markets and strengthened the fundamentally weak position of individual farmers on the market.

The meeting also noted that the ministers had recognized the principle that there should be a safeguard clause similar to that laid down in the agricultural regulations of the Community during the transitional period.

Horticultural products, and particularly fruit and vegetables, were a matter that attracted great attention. The meeting decided to undertake a joint study of a Community regulation for the organization of the fruit and vegetable markets which would ensure a respect for the interests of the producers.

The meeting recognized the need to keep a careful watch on the way in which the Community authorities in the enlarged Community reacted to pressure from third countries over the application of special safeguard measures, bearing in mind that the principle of Community preference had to be respected.

If the negotiations at ministerial level were successful it would be necessary to maintain and increase the contacts between COPA and the farmers' unions in the United Kingdom during the period preceding Britain's actual entry into the Common Market.'

(L'Agriculteur, 26 June 1971)

18. Meeting between representatives of the Latin-American countries and of the European Communities

In Buenos Aires on 18 June 1971 a meeting was held at ambassadorial level between the European Communities and the countries of Latin America; this followed a request made by the latter at the meeting of the special com-

mittee on Latin-American coordination (CECLA).

In a press communiqué issued at the close of the meeting, the Argentine Government expressed great satisfaction at the new altitude adopted by the Member States of the European Communities in their common policy so as to allow for the institutionalization of their traditional and friendly relations with Latin America. The Argentine Government considered a continuous and fruitful dialogue could now be initiated to achieve effective multilateral action in the study and solution of questions of mutual interest.

Until quite recently the contacts initiated with this objective had been sporadic and had yielded no results to satisfy Latin America's aspirations; nor had they led to any practical measures or suitable arrangements for a policy of cooperation. This situation had taken a decisive turn at the CECLA meeting referred to; its "Buenos Aires Declaration" not only referred to the common desires of the Latin-American countries regarding the development of their relations with the European Communities, but also contained a practical proposal that a meeting, such as that which had just taken place, should be held between representatives of the two regions.

'This meeting ushers in another stage leading to a profitable rapprochement between Latin America and Europe. The Argentine Government is glad to have prompted this initiative by sending a proposal to the other Latin-American Governments (on 25 November 1969) to take steps to set up institutionalized machinery. We are sure that this will be adequate to achieve its ultimate aim of creating a system of relationships which will define a policy to govern existing policies between the Latin-American countries and the Communities in their commercial, financial and technological aspects.

There has been a change in the structure of international economic relations; one example is the creation of the European Communities. Here the importance of the Europe of the 'Six' in our external relations should be noted. Although our countries have always been linked to Europe, it is becoming increasingly obvious that the European Communities have gradually come to represent them.'

In conclusion the communiqué indicates that 'acts of good will remain necessary on both sides. The present meeting, the culmination of the negotiations in progress with Argentina and the initiation, as from 1 July, of the system of generalized preferences decided upon by the EEC Council of Ministers, are good grounds for confidence in the future.

Diplomatic progress has to be restrained and practical if it is to be solid and lasting. In certain cases an apparently narrow, slow approach is more a sign of strength than weakness.'

(Press communiqué of the Argentine Government - 18 June 1971)

19. The President of the International Metal Workers Union, Mr. Otto Brenner, calls for public checks on multinational companies

During the world economic conference of the International Confederation of Free Trade Unions on 25 June 1971 in Geneva, Mr. Otto Brenner, President of the International Metal Workers' Union, called for public, democratic checks on the power of multinational companies.

Mr. Brenner opened the discussion on multinational companies with a report on the role of outside capital investment and multinational companies in the modern world. He said that the trade unions had long been concerned with this important problem. A trade union answer must be found to the challenge of multinational companies. These were a logical consequence of the rapid advance in international capital link-ups and would continue to proliferate. 'Under these circumstances it will not only be necessary to bring the international sources of finance for these companies under control primarily by solving the Eurodollar market problem; it will be equally important to harmonize through international conventions the conditions under which shares may be issued in order to ensure that national financial and credit policy is equally effective for multinational companies.'

Referring to company management structures, Mr. Brenner said that a decentralized decision-making structure was clearly better from the economic standpoint and also from that of workers' interests. A closely related problem was that of centralizing or decentralizing research and technical development programmes. 'The multinational companies often operate in advanced technical sectors and use their lead to gain a foothold on foreign markets. The dominant position of these multinational companies in a particular sector then generally makes the development of a domestic industry more or less impossible.'

Mr. Brenner thought that discussion in the European Community of a statute for a European company could give a lead beyond the frontiers of the EEC. 'This is particularly true for worker participation and the formation of a European works council. Through participation and the formation of a

central works council in multinational companies, ways could be found of solving many of the problems which face us today.'

The free trade unions should demand that multinational industrial groups comply with two requirements. The companies belonging to the multinational group must not be 'remote-controlled' in individual countries and must take the general interests of their employees fully into account whenever decisions affecting company policy were taken. Ways must also be found of using the activity of multinational companies for the economic and social advancement of the developing countries. There must be even closer cooperation and permanent mutual support in the International Trade Union Movement 'in order to form a closed block to defend the interests of workers in this age of increasing capital tie-ups.'

(VWD-Europa, 25 June 1971)

20. Eighth Congress of the Social Democratic Parties in the European Community

The Social Democratic Parties in the European Communities held their Eighth Congress in Brussels from 28 to 30 June 1971.

They passed one resolution on the reform of their Liaison Office and another on the problems of European integration.

a) The reform of the Liaison Office

The Congress noted that the creation of a democratic structure for a united Europe, accompanied by fuller economic, social, monetary and political integration could not be achieved without a supranational structure for the democratic and, in particular, the Social Democratic forces and that closer cohesion of and concerted political action by the Social Democratic Parties were therefore necessary.

It approved the proposals made by its Bureau on the arrangement of regular meetings, in particular between the executives of the Social Democratic parties and the executive bodies of the respective parliamentary groups as a first stage towards more effective cooperation.

It decided to change the name 'Liaison Office of the Social Democratic Parties in the European Community' to 'Office of the Social Democratic Parties in the European Community'.

b) General resolution

The executives and representatives of the Social Democratic parties in the European Community examined current problems of the European Economic Community in detail and defined their position in a resolution from which the following passages have been taken:

'The Social Democratic delegates find that the common ideals and practical objectives shared by the Social Democratic parties in the Community can best be carried into effect through the most comprehensive form of European integration. They strongly reaffirm their conviction that the integration begun with the ECSC Treaty and the EEC and Euratom Treaties must be continued through the economic and monetary union to its ultimate completion in the United States of Europe in the form of a Federal State.

The Social Democrats are conscious of their special responsibility for the social content of the Community. They accept this responsibility which they will gladly share with all who wish to build the United States of Europe as a democratic and socially just State whose institutional structures should be worked out right away. They draw attention to the fact that with the rapidly changing world situation Europeans cannot afford to lose any more time after having already lost so much since the end of the last World War.

The Parties underline their conviction that the Community can only continue to exist and develop if all the activities of the executives are subject to effective control by a Parliament with the most democratic foundation it is possible to provide and elected as soon as possible by direct universal suffrage.

In addition to its legislative powers the Parliament must be responsible for appointing the Commission of the European Communities so as to give that important institution greater independence from the Member States' Governments. By 1973 the European Parliament must be given the ultimate right to reject the budget of the Community's expenditure based on independent resources; this will be a guarantee of adequate democratic supervision.

The parties will call upon their representatives in national Parliaments and in the European Parliament to do all in their power to persuade the Council to act more effectively as a Community body whose duties are clearly laid down in the Treaties.

The parties draw attention to the special responsibility of the Commission of the European Communities for the Community's development. They call upon the Commission to bring into the open all conflicts arising in this connection with the Council, the Permanent Representatives, national governments and national administrations in such a way that politically-minded members of the public can see what is going on and form their own opinion. This would be the best way of encouraging public interest in the Community and its policies.

The European Social Democratic parties note that so far no overall concept has been developed which would clearly show that the Community's main aim is to bring about a decisive improvement in the social order. For the Social Democrats this improvement takes precedence over all economic, technical and other considerations. They therefore consider that the social objectives of the Community must be freed as quickly as possible from their present dependence on economic objectives and that social policy must in no way be a mere appendage of other more technical and economic forms of common policy.'

The resolution lists a number of aims in the social sphere and goes on to examine the political significance of future development of the Community towards an economic and monetary union. 'Events of recent months have shown that the achievement of such a union is as difficult as it is necessary. Our parties wish to solve these difficulties by transferring powers to a common authority functioning under democratic control with a view to the ultimate formation of a federation of the United States of Europe. It follows that the Treaty of Rome must be amended to grant new powers to the European Parliament and Commission before the decisive steps are taken towards economic and monetary union.

The parties therefore regret that the Council of Ministers has not reached a conclusive decision on the basis of the Werner Report. The compromise of 8 February 1971 on the economic and monetary union has given rise to fresh doubts as to whether the statements made on this subject by the Heads of State or Government at The Hague with all the consequences that they implied were intended seriously.' The resolution goes on to indicate the special tasks for economic and monetary policy.

Referring to agricultural policy, 'the Social Democratic parties regret that in spite of the expenditure of public funds running into several thousand million units of account and the heavy taxes borne by consumers and the economy as a whole, no progress has been made towards solving the economic and social problems of agriculture and the farming community within the framework of the common agricultural policy. They therefore welcome the fact that the Commission's latest proposals at long last make the improvement of agricultural structures the starting-point for new agricultural policy measures.

The Social Democrats are convinced that a common commercial policy without any form of protectionism in dealings with the developing countries would be the best proof that the Community is not only following its own interests but also conscious of its responsibility for the world economy.

The Social Democratic parties see the enlargement of the Community of the Six to include the applicant countries as the surest guarantee that the integration process already started will move towards its ultimate goal. They call upon the Social Democratic parties and trade unions in the applicant countries to accept this responsibility and invite them to take part in their work.'

(Courrier Socialiste Européen)

Zweiter Teil - Deuxième partie - Parte seconda
Tweede Deel - Part II

METHODISCHE BIBLIOGRAPHIE - BIBLIOGRAPHIE METHODIQUE
BIBLIOGRAFIA METODICA - BIBLIOGRAFISCH OVERZICHT
METHODICAL BIBLIOGRAPHY

Diese Bibliographie zählt eine Reihe der Bücher auf, welche die Bibliothek des Europäischen Parlaments im Zeitraum, auf den sich dieses Heft bezieht, erworben hat sowie die Zeitschriften, die sie in der gleichen Zeit auswertete.

Cette bibliographie représente une sélection des titres des ouvrages acquis ainsi que des périodiques dépouillés à la Bibliothèque du Parlement européen pendant la période couverte par la présente édition des Cahiers.

In questa bibliografia figura una scelta dei titoli delle opere ricevute e dei periodici selezionati alla Biblioteca del Parlamento Europeo nel periodo coperto dalla presente edizione dei Quaderni.

Deze bibliografie geeft een keuze uit de aanwinsten van de Europese Parlementsbibliotheek en de periodieken waaruit in deze editie van "Europese Documentatie" artikelen zijn opgenomen.

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