Chairman BOGGS. Do you envisage, with the growth of the Community, greater political strength in the Community?

Mr. YOUNGER. I think so, yes. I think the political aspects of the Community are likely to develop rather slowly. The emergence of common economic and foreign policy are slow growths. But I would think that a larger Community would have an inherently greater stability, probably from quite an early stage, even before the full economic benefits of a large Community had become obvious. I think from the point of view of the outside world that relationship with the Community should become easier with this country inside it, because there would be a larger element inside the Community than there now is with very widespread world trading ties. There are already very large and strong forces inside the Community that take a world view, but they would on the whole be strengthened by the enlargement of the Community.

Chairman BOGGS. Dr. Peccei, would you like to comment on that question?

Mr. PECCEI. I share Mr. Younger's view that by 1970 we may come to have the United Kingdom in the Community. I think that it will not be a much larger Community than six plus one, say seven, because of the difficulty adapting the Community mechanism to a larger number of participants. If there are more than seven or eight countries, they will have to be somehow associated with all the benefits, but not represented in Brussels, because it would be too cumbersome. The Community would benefit immensely from the United Kingdom entry, politically as well as in outlook, and I think, also, to balance more the Saxons and the Latins.

Chairman BOGGS. You will mix them up pretty good. Dr. Henderson, our staff economist, has a question for you, Dr. Peccei.

Mr. HENDERSON. Mr. Boggs has permitted me to address a question to you, Dr. Peccei.

I will be happy if you will comment on the role of the international corporation. As you know, the increasing share of world trade that is between affiliates must have some influence on trade policy. Does this influence go in the direction of making harmonization of national policies easier or more difficult? Does it go in the direction of making easier the policy that you mentioned of redistributing productive facilities?

Mr. PECCEI. First of all, I will answer that the international corporation is but one of many transnational movements.

There are so many transnational movements in Europe now going on, breaking through the State boundaries so that Europe may as well be built from below much earlier than might be expected. Some of these transnational movements may be found in the fields of culture entertainment, sport, and music; others are now appearing in entrepreneurship. In Europe we feel that we are at a disadvantage with respect to the U.S. corporations which operate in our continent, because it is easy for them to define a unified European policy, or devise a unified European organization; while companies in Italy or Germany cannot have that if they do not acquire some kind of European status.

Pending the approval of a European corporate statute, there will be more and more European arrangements on the line of the Agfa-Gevaret deal.