

EUROPEAN COAL AND STEEL COMMUNITY

THE HIGH AUTHORITY

Address

delivered to

The European Parliament

by

Mr. Piero MALVESTITI

President of the High Authority

of the European Coal and Steel Community

at Strasbourg

MAY 7, 1962

NOTICE TO READERS

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Dutch, French, German and Italian**

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President of the High Authority
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Mr. President, ladies and gentlemen,

The day after tomorrow is the twelfth anniversary of the Schuman Declaration.

You will remember how assiduously French diplomats, backed by their colleagues in the other five countries, strove in May and June 1950 to induce the Government of the United Kingdom to accept the principles of the Declaration of May 9 and join in the negotiations for the Schuman Plan. You will remember also that Britain's entry into the Common Market for coal and steel was the highest hope of my predecessors, beginning with Jean Monnet, who devoted himself with special ardour to this aim, and succeeded in concluding with Britain an Agreement of Association which, though modest in scope, was nevertheless to prove a valuable instrument for helping to maintain a steady and

cordial relationship between the United Kingdom and the Coal and Steel Community. Indeed, that Britain should become a member of our Communities has always been an objective of the highest importance to the makers of European unity in our six countries.

And on March 2 of this year, at the beginning of the negotiations with E.E.C., the United Kingdom Government followed up its undertaking of last autumn by applying to the President of the Special Council of Ministers for the admission of Great Britain to the European Coal and Steel Community.

I should like to say how very happy the High Authority is at this development, though of course the proposed extension does raise a number of practical problems which will need to be cleared up in the course of the negotiations.

On March 16, the Kingdom of Denmark also applied for membership of E.C.S.C. This would mean that the Community included a member which was almost exclusively a consumer of coal and steel. I need hardly remind you that the Treaty, framed as it is to promote both "the most rational distribution of production" and "the establishment of the lowest possible prices", not only encourages sound production, but also safeguards the interests of the consumers.

We hope very much that the negotiations can begin in the near future, and be carried to a successful conclusion.

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In its relations with the other European countries, then, the Community has come to a turning-point of the utmost importance.

But also, as you know, a major change has been going on for some years in the Community market itself, and not in the energy sector alone.

The steel market too has been changing.

We are witnessing rapid expansion on the part of the coastal plants: along the shores of the Mediterranean and the North Sea are springing up a host of blast-furnaces, steelworks and rolling-mills of the very latest design. In 1961, the coastal works of the Community produced nearly five million metric tons of steel, and by 1965 the figure is expected to be not far off eight million.

This indicates that the steel economy of the Community is evolving too: it is no longer necessarily assumed, as it was until a few years ago, that in Europe the most economic location for blast-furnaces is close to the coal or iron-ore mines.

The sea is drawing Europe closer and closer to the other continents, and this is a fact that must be taken into due account in studying the outlook, not for the energy but for the steel economy of the Community. Our ports are today receiving not only coal at particularly attractive prices, but also growing tonnages of oil and iron ore. Thus 1954 to 1961 the Community trebled its

imports of iron ore from third countries, while steel production increased over the same period by 57 %.

Equally important changes have been taking place in the steel sector in recent years as regards production methods. There has been a rapid increase in the use of new steelmaking processes over and above the traditional basic Bessemer and open-hearth processes. In the rolling-mills technical progress has been even more marked: modern mills have an extremely high capacity, up to two million metric tons a year, and so, if they are to be fully utilized, the whole production unit needs to be enlarged.

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The trend in the structure of the iron and steel economy is described in detail in the High Authority's recent Memorandum on the General Objectives.

The General Objectives, as we all know, are one of the most fundamental instruments of economic policy provided for by the Treaty of Paris. They are intended to afford guidance to enterprises in their plans for development, and at the same time serve as the basis for the opinions which the High Authority issues concerning their investment projects.

It is estimated that to meet probable requirements in 1965 a production of 89-94 million metric tons of crude steel will be needed. The producers' present planned capital expenditure

indicates that production potential in 1965 will amount to 99 million metric tons. If the investment projects duly materialize, 1965 should see a satisfactory balance between crude-steel production potential and probable demand.

The position as between production potential and probable demand for rolled products is, on the other hand, rather more complicated: in the flat-products sector a certain over-capacity seems likely to develop in the case of the wide-strip mills. The 1965 potential for the other types of mill, as indicated by the enterprises' plans, works out pretty well in balance with the expected demand.

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The expansion in the iron and steel sector in the last few years has had its repercussions on employment: in 1960 the personnel of the Community iron and steel industry averaged 564,000, representing an increase of more than 70,000 over the average for 1955.

As to the future, any shortening in the working week will necessitate further increases: given an average rate of economic growth, a 3.5 % reduction in working hours would oblige the industry to recruit another 22,000 men, and a 10 % reduction 58,000.

The High Authority is following developments in this connection with the closest attention.

More important than the question of numbers as such is the question of skills. The new production installations are demanding a higher and higher degree of training on the part of the personnel operating them, which means that suitable men will be much harder to find in future unless the proper steps are taken in time with regard to occupational training. Even now recruitment difficulties are developing in some areas, and quite a number of enterprises are having to bring in more workers than they used to do from other regions, and even other countries.

The expansion in the iron and steel industry in the coming years may be expected to result in a fairly extensive internal migration of labour, which we shall need to follow with care. Inasmuch as it will be necessary to have the men settled on a more or less permanent basis at their place of employment, there will be the none-easy problem of their and their families' adjustment to, and absorption into, their new environment.

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Within the broad picture of the iron and steel economy which I have just outlined, I would now briefly touch in the salient points concerning 1961.

1961 was an average year for the Community iron and steel industry. Crude-steel production totalled 73,300,000 metric tons, about half a million more than in 1960.

Exports were slightly below the 1960 level; competition in the world market was keener than before. Within the Common Market, trade in steel among the six countries showed a slight increase over the previous year. The proportion of tonnages ordered from one Community country by another was 20 % of all intra-Community orders: we have come a long way from the 10 or 12 % market-interpenetration rate of 1950-52!

And the beneficial effects of the Common Market can be seen not only in the larger tonnages traded, but still more in the convergent movement of prices. In 1961, competition within the Common Market became keener, and the "spread" of the prices actually charged for the various rolled products closed up fairly considerably: the Italian enterprises in particular completed, so to speak, the scaling-down of the very substantial disparities which existed at the inception of the Common Market between their steel prices and those of the other countries.

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The smallness of the increase in steel production in 1961 and the continuing reduction in the specific consumption of coke at the blast-furnaces (which has been proceeding at a steady 3 % a year since 1958) made their effects felt on the total Community consumption of coke-oven coke.

Consumption of coal also fell in the gasworks, in the railway sector and in industry generally (that is, industries other than iron and steel).

Consumption by private households, on the other hand, increased slightly, and consumption by the thermal power-stations quite markedly: the latter now constitute the only sector in which coal consumption is expanding.

Taken by and large, total consumption of coal in 1961 showed a further decline from the previous year's level, standing at 230 million metric tons as against 234 million in 1960.

Producers' stocks in the Community as a whole decreased by nearly three million metric tons hard-coal equivalent; even so, however, at the end of the year they still amounted to 25 million metric tons of coal and something like 6,500,000 of coke.

Imports from third countries rose by about one million metric tons to just under 19 million. The United States remained the Community's main outside supplier, sending close on 12 million metric tons, of which 4,400,000 went to Germany and 4,400,000 to Italy.

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The Community coalmining industry continued its drive to adjust itself to the changed market situation, aided by the action taken by the Governments and the High Authority, and also by the co-operative attitude of the workers, who further increased their output.

The High Authority's action in this matter was the same as that taken in previous years:

- (a) it invoked Article 37 of the Treaty in favour of Belgium for 1961 and 1962, permitting the temporary partial isolation of the Belgian coal market from the rest of the Common Market to enable an expedited reorganization of the industry to be effected;
- (b) it authorized the Belgian Government to pay subsidies, on a descending scale, to collieries incurring additional operating costs owing to the natural conditions of the deposits worked by them;
- (c) it paid a special allowance during 1961 to Belgian mineworkers placed on short time;
- (d) it recommended the Federal German Government to maintain during 1961 and 1962 its system of tariff protection subject to a duty-free quota.

The Belgian reorganization programme laid down when Article 37 was first invoked has so far been carried out according to schedule: a further 2,500,000 metric tons' capacity remains to be scrapped during 1962 and 1963.

Meantime, an Act of Parliament was passed in Belgium on November 16, 1961, setting up a "Directoire de l'Industrie Charbonnière", with powers of decision and of control over the enterprises, for the purpose of conducting the reorganization process. The Directoire is empowered by the Act to fix prices and conditions of sale, to lay down production programmes as to both tonnages and grades for the industry as a whole, to allocate production and sales as

among enterprises, and to co-ordinate investment programmes.

True, the Act expressly provides that the Directoire "shall exercise its functions to the extent compatible with the observance of the Treaty establishing the European Coal and Steel Community", but the construction placed on this phrase by the Belgian Government differs appreciably from the High Authority's interpretation.

The High Authority, after seeking to reach Agreement with the Belgian Government as to the respective competences of the High Authority and the Belgian National organizations under the Treaty, has had to conclude, with regret, that a basic difference of view exists, and accordingly some days ago set in motion the procedure prescribed by the Treaty for such occasion.

Generally speaking, the situation in the Belgian coalmining industry improved in 1961, days not worked totalling only 10 as against 33 in 1960.

The incidence of short time, I may add, also dropped sharply in France and Germany, and since the autumn has been practically nil. The shrinkage in the labour force, however, continued, though on a smaller scale than in 1960. In all, some 50,000 miners left the industry in 1961. But at the same time, after a period during which recruitment had been kept very low, and indeed in some countries, including Belgium,

suspended altogether, a number of enterprises began to find themselves obliged to sign on more workers. In particular, a shortage of underground workers is developing, and larger numbers are having to be recruited from third countries.

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As the House is aware, the High Authority is endeavouring to help deal with the social problem of the areas affected by pit closures not only by furnishing assistance for the readaptation of the men themselves, but also by pursuing a policy of industrial redevelopment. This takes the practical form of enabling financial facilities and concessions to be offered to enterprises setting up in such areas and undertaking to engage discharged colliery workers.

The Council of Ministers has already given its approval for the implementation of the first redevelopment schemes in Belgium and France.

The Treaty of Paris of course contains no explicit provision for an area-development policy. But the High Authority is having to concern itself more and more — in close co-operation with the E.E.C. Institutions — with problems to which a regional approach does seem to offer the right answer. Naturally the main responsibility in the matter will lie with the Governments, but if we want genuine European integration we cannot remain inactive in face of new problems: the Common Market must not cease to constitute the propelling element in the new economy in Europe.

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The contraction in the position of coal *vis-à-vis* petroleum products continued in 1961. The share of coal in total Community energy requirements shrank to 50 %, as against 53 % in 1960, while the share of oil increased from 28 % to 31 %. The process of substitution is sharply apparent: it has been going on for several years now at the same rate, with coal losing and oil gaining 2-3 % a year of total energy demand. If the trend continues, by 1965 (if we leave on one side the possible entry of the United Kingdom into the Common Market) coal and oil will have a share of 40 % each; after that date oil will be the largest single source of energy for the economy of the Six as a whole, covering by 1970 or so one-half of total energy requirements. By the end of the sixties there will have been a radical transformation in the structure of our energy economy.

The manner in which this process may be expected to take place is examined in detail in the General Objectives for coal and energy which the High Authority is now drawing up, and which are to be published later this year.

As well as seeking to work out the most accurate forecasts possible, we are examining the action to be taken to organize the adjustment of coal to the changed situation, and to ensure that the transition from yesterday's conditions to tomorrow's goes through smoothly, without jolts and jars either from the social or from the economic angle.

The House already knows of the various stages passed through by the documents drafted in this connection by the Inter-Executive Working Party on Energy and submitted by the High Authority to the E.C.S.C. Council of Ministers — that is, firstly, the interim Memorandum of March 19, 1960, setting forth the general directives for a co-ordinated long-term energy policy, and secondly, the Memorandum of January 10, 1961, containing proposals for initial priority measures. A third Memorandum was submitted to the Council on October 26, 1961, containing proposals for initial steps to co-ordinate imports of coal from third countries: these, which represent the minimum necessary for the introduction of a common commercial policy, are at the moment still being studied by the Governments.

It must be acknowledged that so far the co-ordination of energy policies has made little or no progress. And this observation at once leads on to another: the problem is so vast that it demands a more comprehensive approach than that hitherto adopted. Once we recognize that there are no longer a separate coal market and oil market, since as a result of the substitution of petroleum products for coal large sections of the two have become interfused, then we have to accept the logical conclusion that this single energy market must become a true Common Market, that is, a market of ordered and consistent conditions, with common rules and, if necessary, a common administration.

We have two Treaties based on two quite different approaches: the Treaty of Paris, which

is a treaty of detailed provisions, and the Treaty of Rome, which is an outline treaty. And they differ, moreover, on a number of points — for instance, on safeguard clauses, on prices and conditions of sale, on aids and subsidies, on the co-ordination of investment, on commercial policy. Again, it must be borne in mind that the market for petroleum products is still, under the Treaty of Rome, in its transition period, whereas the coal market's transition period is over.

When, some little time ago, the E.C.S.C. Council of Ministers commented that the procedure followed so far to secure a co-ordination of energy policy had not produced any results to speak of, and expressed the desire to hold a special meeting in the hope of overcoming the difficulties, the High Authority felt it advisable to submit a restatement of the question, based on the considerations I have just mentioned.

At a very frank and detailed discussion in Rome on April 5, the High Authority therefore suggested a change of method, proposing that as a first step longer-term objectives should be drawn up for a Common Market for energy, the various stages in the achievement of these to be linked to the stages provided for by the Treaty of Rome. Following this discussion, the Inter-Executive Working Party on Energy was requested to submit practical proposals within two months.

These proposals are still being drafted, so I cannot give the House any details. However, I

think I may say that we feel we can detect signs of a greater similarity of mental approach, a convergence of hitherto differing views. Given this degree of *rapport*, the aim must now be to establish practical conclusions and a detailed working plan in the coming months. One point which will need to be carefully studied in this connection is how the provisions of the Treaty can be supplemented to allow for the changed market situation.

As the House will recall, we were able in 1960, by means of the "minor revision" procedure, to supplement the Treaty's provisions in the social field; however, owing to a legal difficulty, a similar effort with respect to Article 65 came to nothing.

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My account of the High Authority's activities would be incomplete if I were not to speak also of our work in connection with transport and with finance.

Market transparency is one of the basic aims of the Treaty and main concerns of the High Authority. And to secure market transparency, as we all know, it is important to have details of the ruling transport rates and conditions of carriage.

Since the inception of the Common Market, the published railway tariffs have to be used as a reference basis for much of the traffic within the Community. But the Treaty requires that

details be published, or furnished to the High Authority, concerning the rates ruling for all modes of transport — that is, for road haulage and inland water transport also.

As the House will recall, a first Decision by the High Authority regarding road haulage was quashed by the Court. After restudying the whole question, the High Authority on March 1, 1961, issued a Recommendation, this time not relating to one mode of transport only, but, in accordance with the principles laid down in the Court's ruling, covering all, while allowing for the special features of each.

The Governments have informed the High Authority of the measures they intend to take to implement the Recommendation, and the High Authority has conveyed its comments to each Government. In some countries a number of measures have already come into force.

Two Governments have lodged an appeal with the Court for the reversal of the Recommendation: the proceedings continue.

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The House knows the High Authority's responsibility with regard to financing and the principles on which it works. In accordance with these principles, the High Authority during 1961 and the first few months of 1962 contracted loans to a total value of 29,200,000 units of account in European money markets both inside

and outside the Community. Of this sum, 18,500,000 has been earmarked for aiding investment in the coalmining and iron and steel industries, 6,700,000 for redevelopment schemes and 2,500,000 for the building of workers' houses, the remainder being held in reserve for the present.

The High Authority is planning to raise further loans in the near future.

Mr. President, ladies and gentlemen,

This year will see the tenth anniversary of the coming into force of the E.C.S.C. Treaty, on July 23, and of the installation of the High Authority, on August 10. I feel that I can therefore suitably conclude my report to you by briefly outlining the balance-sheet for these first ten years of European integration.

The new Community was backed at its inception by a tremendous fund of enthusiasm. Before the Common Market for coal and steel had even been introduced, the E.C.S.C. Assembly in its forward-looking eagerness was working for the drawing up of a European Political Statute. A noble labour, even though it came to nothing: it demonstrated from the very first the vitality of this unique body and set upon it the stamp of political maturity.

However, in point of fact the Assembly was ahead of its time, for the circumstances then prevailing were soon seen to be not yet favourable to comprehensive political solutions — as witness the fate of the E.D.C. Treaty the following year.

Happily, this setback was quickly followed by a revival. Less than a year after E.D.C. had foundered, talk was being heard of a “relaunching of Europe” based on a General Common Market and an Atomic Energy Community.

Nor was the experience of E.C.S.C. without relevance for the purpose of the two new Communities: on the contrary, since the same institutional system was adopted for both. Nevertheless, they reflect the different political climate in which they came into being. Thus the competency of the Parliament is wider, owing to the system of obligatory consultation, so that it exercises a more direct influence on the policy of the Rome Treaty Executives — though it will surely be agreed that the High Authority for its part has always attached the greatest importance to points made by the Parliament.

Yet on the other hand the Treaties of Rome do not allow the Parliament that rudiment of legislative power vested in it by the Treaty of Paris under the system of "minor revision".

In essence, since the collapse of the E.D.C. project European integration has been going on under stricter control by the Governments.

This is clear from a great many other points too, and not least from the procedure employed in the appointment of Members of the Commissions, in which the principle of co-option has been dropped.

But even though, since 1954, the Governments have sought to assume more direct control over the instruments of European unification, this is not to say that they have shown themselves any the less alive to the needs of economic integration. I need only cite the outstanding

perseverance recently displayed by the E.E.C. Council of Ministers in its search for agreement on the agricultural question. The most telling comment on those memorable sessions seems to me to be the remark by one of the most influential delegates present, just at a juncture when success seemed remote: "We have got to succeed." The phrase expresses a state of mind now widely in evidence in Government circles generally, and this affords us encouragement and hope.

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Yet while there has been a change in the political climate in which European integration is proceeding, or perhaps rather in views as to the approach to be adopted, there has been a change too — and a very much faster one than had been foreseen — in the economic pattern to which the provisions of the Treaty of Paris apply.

The Schuman Declaration came at a time when Europe was still struggling with problems of reconstruction, and threatened by a surplus of steel on the one hand — Hon. Members will remember the dire warnings of E.C.E. about 1950 — and a shortage of coal on the other. Internal coal production was insufficient to meet demand, so extra supplies were having to be imported, principally from the United States. But in those days American coal was much dearer than European for the European consumer. Dollar debts bulked large in our balance-of-payments position, and dollars were scarce.

Since the introduction of the Common Market the iron and steel industry has been expanding as never before, its production rising from less than 40 million metric tons of steel in 1953 to more than 73 million in 1961. At the same time trade among the member countries has increased substantially, thanks to the levelling of tariff walls, the better market transparency resulting from the new rules of competition, and the introduction of international through-rates for consignments of Treaty products carried by rail.

E.C.S.C. is the only economic area in the West which succeeded during these years in improving its position — albeit only slightly — *vis-à-vis* the other major producers of the world: its share in world steel production still stood last year at over 20 %. (The United States' and United Kingdom's shares have contracted; those of Communist China, Japan and the Soviet Union have increased.)

The success of E.C.S.C. is all the more striking when we consider that the Community has had very serious difficulties to overcome in the matter of scrap supplies. On the whole question of ferrous raw materials the High Authority early adopted a long-term policy which is now beginning to bear fruit: the orientation of investment in line with the opinions issued by the High Authority on enterprises' capital schemes has produced a now solidly-established improvement in the pig-iron/steel ratio, resulting of course in the easing of the formerly always highly unstable and speculative scrap market.

While production has been soaring higher and higher year by year, the structure of the market has, as I say, been changing, under the influence of two factors, — the tendency to take a new view as to what conditions make for maximum profitability (as in the case of the coastal iron and steel plants), — and technical progress, resulting in an increase in optimum enterprise size.

Those responsible for the implementation of the Treaty have to bear this new state of affairs in mind: they have to watch developments in the internal market, while at the same time keeping an attentive eye on the world market, in which Community enterprises are in competition with even larger third-country concerns.

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While the trend in the iron and steel industry has been one of unprecedented expansion, the coalmining industry has since 1958 been having to adjust itself to the changed pattern of energy demand. Up to 1957 coal was in short supply in Europe, and the High Authority's endeavours were therefore directed to ensuring a regular flow of reasonably-priced coal to all Community consumers, one of its tasks under the Treaty being "in the common interest... to assure to all consumers in comparable positions... equal access to the sources of production."

Community coal production, which in 1952 amounted to 239 metric tons, was in 1961 down to 230 million, and is to be scaled down still

further. (Incidentally, production also shows a decrease between the two years in the United States and Great Britain; it is increasing, on the other hand, in Communist China and the Soviet Union).

The circumstances which led to the onset of the coal crisis — competition from American coal and from petroleum products — are already well known to the House, so that I need not dwell on them further.

The High Authority's first action in face of the crisis was to invoke the emergency provisions of Article 95 in order to contribute to the financing of inflated pithead stocks and to grant special allowances to mineworkers placed on short time. As a broader-based solution, the High Authority proposed the invocation of one of the most drastic articles in the Treaty, Article 58, which provides for a system of production quotas. As we know, the proposal failed to secure the consent of the Council.

In Belgium, however, the crisis was assuming disquieting proportions; the Belgian Government applied for and obtained the implementation of Article 37 (the temporary partial isolation of the Belgian market from the rest of the Common Market), at the same time undertaking to launch a programme for the closure by 1963 of pits representing a total capacity of 9,500,000 metric tons.

Meantime, measures to adjust production to the changed situation were also put in hand in

France and Germany. In the latter country, the collieries soon began to feel that to carry these through successfully it would be necessary to have "adjustment agreements" coupled with joint-selling agreements. The High Authority and the Council considered the claim to be justified, and took the prescribed initial steps for the amendment of Article 65, but without success.

The European coal crisis has increased the need for co-ordination of our countries' energy supplies — a need which had already made itself sharply felt at the time of the Suez crisis, and which underlay the Protocol of October 8, 1957, on the co-ordination of energy policies. The energy requirements of the Six countries have increased very substantially in the last few years, rising from 385 million metric tons hard-coal equivalent in 1955 to over 500 million in 1961.

Energy is of such vital importance that, as is explicitly noted in the preamble to the Protocol, the six countries would find themselves compelled to introduce some kind of co-ordination in the matter even if there were no Common Market: with the Common Market indeed established and functioning, they must work together in even closer understanding.

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The coal crisis has put the social provisions of the Treaty to the test. The readaptation arrangements were an imaginative new addition by the

Treaty of Paris to the armoury of social policy, designed to ensure that progress in market organization and technical development is not effected at the expense of the workers. Since the "minor revision" of 1960, Article 56 of the Treaty has expressly provided that the High Authority may take action to deal with unemployment caused not only by technological but also by structural factors; also, it can still act under Article 95 in cases of unemployment resulting from deterioration in an enterprise's sales position. Since the introduction of the Common Market the High Authority has made available over 46 million units of account for the readaptation of a total of some 130,000 workers laid off in consequence of structural developments; for those finding themselves out of work owing to falling sales by their enterprises, it has set aside nearly seven million.

In the areas hardest hit by the coal crisis, the High Authority has also provided financial assistance for industrial-redevelopment schemes.

Further, the High Authority has aided the building of over 56,000 housing units in the different steel and coal-producing areas of the Community, its contribution totalling more than 55 million units of account.

It has devoted particular attention to the matter of workers' health, making available over eight million units of account to finance a large number of research projects in the field of industrial medicine.

At international level, it organized the Conference on Safety in Coalmines and the Conference on Industrial Redevelopment, both of which were also attended by representatives of third countries.

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The High Authority's efforts to carry out the tasks devolving upon it under the Treaty have undoubtedly been greatly facilitated by the fact that it is financially autonomous.

Thanks to the sound credit standing of E.C.S.C., the High Authority has been able to contract loans in all the main capital markets, beginning with the American market. The total amount so raised by it to date is 245 million units of account, of which 219 million has been made available for industrial investment on terms exceptionally advantageous to the enterprises.

As the House knows, the High Authority is also required by the Treaty to promote technical research and to provide guidance for the planning of investment. With regard to technical research, I need do no more, I think, than mention the very large sums it has set aside for this purpose, amounting in all to over 20 million units of account since the introduction of the Common Market. As regards guidance for investment, the High Authority of course publishes General Objectives at regular intervals, and also issues opinions to enterprises concerning their investment projects. This is one of its trickiest

tasks, for it involves assessing probable future developments, despite the fact that the means available for forecasting, both in economic and in non-economic connections, can never be as accurate as could be wished. However, our forecasting methods have been and are being steadily improved in the light of experience, and it is now well known what importance the coalmining and iron and steel enterprises attach to the General Objectives and to High Authority opinions.

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Ever since it first entered upon its duties, the High Authority has been working to establish and consolidate its international standing. To this end, it has sought to foster good relations with the third countries. With some of them it has concluded special agreements — an Agreement of Association with Great Britain, a railway-rates agreement and a consultation agreement with Switzerland, a railway-rates agreement with Austria—and it maintains diplomatic relations with many more. In addition, it has established close links with the international organizations working in the economic and social fields, enabling it to co-operate actively in their work.

All in all, then, I feel it can fairly be concluded that E.C.S.C. has fulfilled its architects' intention that it should represent "the foundation for a broad and independent community among peoples long divided." It was the first concrete

achievement in the process of European integration, and it stood as the pillar around which the building of Europe was resumed after the collapse of E.D.C. It has served to stimulate production and trade, and been a pilot project for the General Common Market; it has brought about progress in social legislation, introducing special safeguards, of a kind not previously seen in our countries, for workers thrown out of employment.

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Mr. President, ladies and gentlemen,

In summarizing the events of ten years of activity in a few minutes, I have inevitably had to omit a number of points which are also of considerable interest. But, even so, I feel that the record speaks for itself.

New tasks lie before us — some of them exceedingly arduous and difficult ones. Yet I feel certain that this glance over the past cannot fail to afford us hope and encouragement for the future.

The High Authority accordingly submits its Tenth General Report for the attention of the European Parliament, and awaits with confidence the reactions of the House.

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