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INFORMATION BACKGROUND

Summary of address by Prof. Malvestiti, President of the High Authority, to the European Parliament in Strasbourg of May 7, 1962

Prof. Malvestiti first of all expressed the High Authority's satisfaction at the applications by Great-Britain and Denmark to join the European Coal and Steel Community, and its hope that negotiations would begin at an early date.

1. The steel and energy markets in 1961

He then went on to discuss developments in the markets and the work of the High Authority during 1961.

- (a) Steel: rapid expansion of iron and steel production in coastal areas, of imports of overseas ores and of oxygen steelmaking; increases in production capacity, especially in the rolling-mill sector (these trends are analysed in the High Authority's General Objectives for steel).
- (b) Coal: further contraction in coal consumption (230 million metric tons in 1961 as against 234 million in 1960) and in coal's share in total Community energy requirements (50% in 1961 as against 53% in 1960). The problem of the adjustment of the coal industry to the new situation remained as serious as ever. After listing the measures taken by the High Authority in this connection, Prof. Malvestiti dealt in some detail with the case of Belgium, described the first Community operations with regard to area redevelopment, and mentioned the talks in progress concerning certain powers vested by a Belgian Act of Parliament in a new administrative body, the Directoire de l'Industrie Charbonnière,

a matter on which the High Authority had expressed serious reservations.

Prof. Malvestiti dwelt with particular attention on the actual structure of the Community's energy economy, the great problem being how best to organize the adjustment of coal to the changed situation and to ensure that the transition to the new conditions took place without social or economic upheavals. The memoranda and suggestions submitted by the Inter-Executive Working Party on Energy had undoubtedly been of value, but it had to be admitted that little or no progress had been made towards the co-ordination of energy policies. It now seemed clear that the energy market must become a genuine Common Market, a market of ordered and consistent conditions, with common rules and, if necessary, a common administration. At a meeting in Rome on April 5 the High Authority had suggested to the Council of Ministers that a start be made by drawing up long term objectives for a Common Market for energy, the various stages for the achievement of these to be linked to the stages provided for by the Treaty of Rome. The Working Party on Energy had been requested to submit practical proposals within two months. Signs had been observed of "a greater similarity of mental approach, a convergence of hitherto differing views."

2. Ten years of European integration

In the second part of his address, Prof. Malvestiti presented a balance-sheet of the first ten years of European integration, reminding the House that the E.C.S.C. Treaty had come into force on July 23, 1952.

The experience of E.C.S.C. had been of great importance for the two new Communities set up by the Treaties of Rome. Nevertheless, the political climates in which the Communities had come into being had been different: since the collapse of the E.D.C. project European integration had been going on under stricter control by the Governments, though the latter had shown themselves very much alive to the needs of economic integration, as had been demonstrated by the negotiations on common agricultural policy.

Alongside this change in the political background to integration, another process had been going on: the economic pattern to which the provisions of the Treaty of Paris applied had altered more rapidly than had been foreseen. Thus the structure of the steel market had substantially changed over a prolonged period of steady expansion of production, while in the coal sector 1958 had witnessed the onset of the crisis, after five years of boom conditions. The coal crisis had increased the need for a co-ordinated flow of energy supplies, and had also put the social provisions of the Treaty to the test (readaptation of workers; industrial redevelopment; special financial assistance).

After briefly listing the various activities made possible by the fact that E.C.S.C. was financially autonomous, and referring to the High Authority's work in the field of research, industrial safety and investment, Prof. Malvestiti concluded,

"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."