

FOURTH JOINT MEETING

of the Members of

**THE CONSULTATIVE ASSEMBLY
OF THE COUNCIL OF EUROPE**

and of the Members of

**THE COMMON ASSEMBLY
OF THE EUROPEAN COAL
AND STEEL COMMUNITY**

(20th October, 1956)

OFFICIAL REPORT OF THE DEBATE

STRASBOURG

NOTE

This edition contains the original texts of the English speeches and translations of those delivered in other languages.

The latter are denoted by letters as follows :

(*G*) = speech delivered in German

(*I*) = speech delivered in Italian

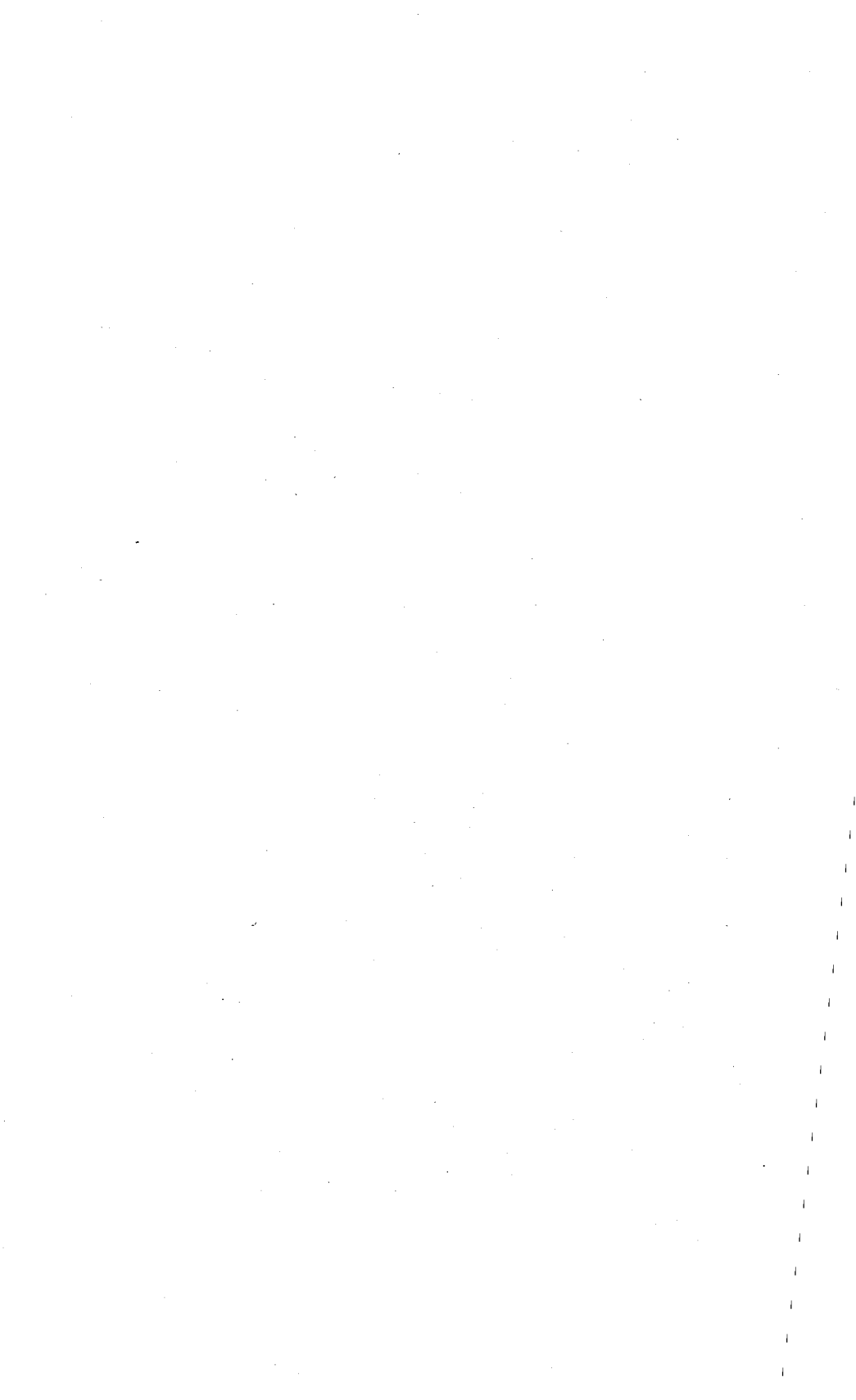
(*N*) = speech delivered in Dutch

(*F*) = speech delivered in French

The original texts of these speeches will be found in the separate editions which are published for each language.

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IN THE CHAIR M. GIUSEPPE PELLA,
President of the Common Assembly
of the European Coal and Steel Community

The Sitting was opened at 10.20 a.m.

The Chairman. — (F) The fourth Joint Meeting of members of the Consultative Assembly of the Council of Europe and members of the Common Assembly of the European Coal and Steel Community is open.

1. Apologies for absence

The Chairman. — (F) I have been informed by letter that other engagements make it necessary for M. Rey to remain in Belgium, and he wishes to make his apologies for being unable to attend this meeting.

MM. Blaisse, Lapie, Blank and Ollenhauer also have sent apologies for being unable to be present.

2. Announcement by the Chairman

The Chairman. — (F) I would remind you that the purpose of this Joint Meeting is to provide an opportunity for an exchange of views among members of the two Assemblies and that no vote can be taken during this meeting.

*3. Tribute to the memory of the victims
of the Marcinelle disaster*

The Chairman. — (F) Ladies and Gentlemen, (all the Representatives rose to their feet) on 8th August last the

Coal and Steel Community suffered a terrible blow ; 262 miners, many of whom had come from distant lands owing to the dire necessity to ensure a modest livelihood for their families, lost their lives in tragic circumstances. These men died while carrying out their hard and laborious task, 262 men for whom the dangers inherent in their occupation suddenly became tragic reality.

With the passage of time our sorrow has deepened, and the feelings of horror and emotion aroused in us as soon as the terrible news became known will ever linger with us.

As we again pay humble tribute to the memory of these men, our thoughts go to their families in their grievous loss, to their wives, children and aged parents who went on hoping even when no hope was left.

Our admiration and gratitude also go to all the workers in our Community and, indeed, all over the world, who toil, day in day out, amid sacrifices and dangers all too often ignored, to tear from the reluctant bowels of the earth, the raw materials which are essential to the progress of mankind.

With deep emotion and heartfelt gratitude our thoughts go also to all those who during those tragic days with sublime self-sacrifice, and deliberate disregard for their own safety performed, though often in vain, deeds of heroism and of supreme devotion. We are mindful, too, of all those persons who throughout the various countries have so generously contributed in sympathy and fellowship to the relief fund. This spontaneous reaction to the misfortunes of our fellow-men will serve to strengthen our belief in the goodness of man.

Lastly, I am most grateful to M. Dehousse for his own fine words of tribute in this Chamber at the opening of the present Session of the Consultative Assembly ; mere words are incapable of adequately expressing our gratitude.

Ladies and Gentlemen, faced with a disaster such as that of Marcinelle which, though exceptional in terms of the number of victims, is not exceptional in itself, for it is only

too often that miners are involved in such tragedies — it is not enough for us to express our sorrow or pay our tribute to the victims.

This question has already been referred to the Social Affairs Committee of the Common Assembly. The High Authority, the Special Council of Ministers, the various Governments and the several national parliaments are also active in this field. The matter will, moreover, be placed on the Agenda of a forthcoming Session of the Common Assembly.

When it reviews these distressing events and analyses the complex factors underlying them, the Common Assembly will not be handicapped by technical or other limitations. Human life is too sacred to be at the mercy of considerations which are all too often of a purely formal nature. It can truly be said that the heavens above are watching us. And let me say that the obligation upon us to maintain democratic control over the Community will be limited only by respect for truth and a sense of responsibility.

But, Ladies and Gentlemen, beyond the search for possible mistakes, the dramatic events of the Bois du Cazier must serve to remind us that economy is the servant of man, not *vice versa*; that the law of individual profit cannot be the sole factor governing economic and social life and that the free play of uncontrolled economic forces, instead of ensuring that the best shall prevail, may give the advantage to the most selfish.

The impressive figures which the various countries proudly present in their annual economic reports would have little value if they were to be achieved at the cost of unwarranted human sacrifice.

If our century is to take its place in history as the century which redeemed the cause of labour and made it the basis of social and personal life, much remains to be done in all countries and in all economic sectors.

With particular reference to the Coal and Steel Community, we must not forget that its institutions have not been

founded merely to achieve certain economic objectives, be they as important as those to develop production and consumption, reduce cost prices, achieve competitive prices on international markets, eliminate various forms of monopoly and institute true competition within the Common Market.

Economic progress is essential for a better standard of living, but it is not enough. There are also such objectives as protection, security, improved working conditions, security of family life, housing (and not only earning a livelihood) and a higher cultural and spiritual level (and not only a higher standard of living), all of which are implicit in the ECSC Treaty. It is to achieve them that the institutions of E.C.S.C. must bend their efforts.

I am sure, Ladies and Gentlemen, that you will join me in reaffirming our pledge to work towards this goal and in promising solemnly, in tribute to those who have made the supreme sacrifice and to millions of others in their hard and daily toil, that the needs of the world of labour will not be forgotten: I make this appeal in the name of justice, civilisation and Christian charity; which will be — must be — milestones in the forward march of history.

Last summer the starlit heavens looked down on a great tragedy. Those stars will continue to shine in the profound peace of summer, giving rise to dreams and wishes, and touching the most sensitive chord of the human mind; blessed be the day when they will shine down on the peace and security of mankind, insofar as humanity can ever free itself from its heritage of pain and the thought of so many tragedies.

We wish that day to dawn on a united Europe bending all efforts towards achieving peaceful social progress. Let each of us pledge himself to contribute to this achievement within the sphere of his public or private duty. This is the best tribute we can pay to the victims whose memory we are honouring today. May it bring comfort to the bereaved families to whom, on your behalf, I again express our deepest sympathy.

I now call M. René Mayer, President of the High Authority of the European Coal and Steel Community.

M. René Mayer, President of the High Authority of the European Coal and Steel Community. — (F) Mr. Chairman, Ladies and Gentlemen, the High Authority associates itself, through me, with the tribute which you have just paid to the victims of the cruel disaster at Marcinelle. It associates itself with the sympathy which you expressed so handsomely, with the condolences which M. Dehousse conveyed at the opening of the Session of the Consultative Assembly to the bereaved families and with the tribute he has paid to the victims.

Our industries had indeed forgotten that such large-scale disasters could still occur. The terrible fate of the miners of Bois du Cazier reminds us of the heavy toll in terms of human blood and pain exacted by the tragic demands of the coal industry.

You knew you could rely on the High Authority to do its duty and give expression to the wishes of the Community's parliament by demonstrating that it realised the urgent need to do everything in its power, not, alas, to prevent this disaster or to limit the damage, but to prevent the recurrence of such tragedies.

On 17th August it resolved to give fresh impetus to the scattered work already being done on safety in mines. It accordingly approached the Governments, these being at present responsible for any changes in safety regulations, a field which covers not only regulations, but inspection arrangements and the enforcement of the regulations.

On 6th September, the Special Council of Ministers unanimously agreed to the High Authority's proposal to hold an intergovernmental conference on safety in mines. This conference which has already opened comprises governmental experts, representatives of the workers and employers of our six countries as well as representatives from the United Kingdom and the International Labour Office.

The efforts and dangers shared at Marcinelle during those distressing weeks by German, French, Italian and Belgian rescue-teams have been a stirring example of international fellowship to the whole world.

We share with you, Mr. Chairman, the conviction that this deep sense of community will inspire the thoughts and actions of those who can now ensure, by the measures they propose, that Marcinelle shall not remain in the memories of the 650,000 miners of the Community only as a tragic date, but that our countries, industrialists and workers will take this terrible lesson to heart and, by the measures introduced, provide grounds for hope of better days for mankind as a result of improved working conditions, indeed for hope of a better future as a whole.

The Chairman. — (*F*) Ladies and Gentlemen, I propose that we now observe a minute's silence in memory of the victims of the Marcinelle disaster.

(The Representatives rose to their feet.)

The Chairman. — (*F*) The meeting will be suspended for a few minutes as a sign of mourning.

(The meeting was suspended at 11.35 a.m. and resumed at 11.45 a.m.)

4. *Introductory statement by the President of the High Authority*

The Chairman. — (*F*) The meeting is resumed.

Having regard to the time-table of our proceedings, I propose that we hear this morning the statement by the President of the High Authority of the European Coal and Steel Community, followed by a statement from M. Struye introducing his report.

This will conclude this morning's Sitting. We shall resume our meeting at 3.30 this afternoon.

Are there any comments?...

Then that is agreed.

I call M. René Mayer, President of the High Authority.

M. René Mayer, President of the High Authority. —
(F) Mr. Chairman, Ladies and Gentlemen, this is the second time that I have had the honour of introducing the general debate which you hold each year at your joint meeting of members of the Common Assembly and the Council of Europe.

The High Authority is glad that it is today able to record the principal milestones in the economic development of the Community over the past year, and in the development of its economic relations with non-member countries.

At a time when the whole of Europe, and not merely the Community of the six member countries, is having to face serious problems in regard to energy, and when important international decisions are about to be taken, my colleagues and I are taking this opportunity to put before you a number of particularly salient facts which should not be lost sight of at this time.

In view of all the details and figures contained in the High Authority's general report to the Common Assembly each year, I need not review here all the action taken by the High Authority in its various fields during the past twelve months.

Moreover, you will have received M. Struye's admirable report addressed to the Consultative Assembly of the Council of Europe.

This document, which gives an excellent account of the various aspects of the relations between the Common Assembly and the High Authority, and brings out the matters with which the Community's Parliament has to deal, enables you to embark on the annual debate today in full knowledge of the facts.

May I, Mr. Chairman, Ladies and Gentlemen, publicly state, on behalf of my colleagues and myself, how pleased we are at the way in which the debates in the Common Assembly and the work of its Committees have developed.

M. Struye has emphasized in his report that, while never unmindful of the interests of their countries, which need to

be ventilated there, the members of the Common Assembly, grouped as they are according to political opinion, tend to state their political position with a view to the general interest of the Community and the venture with which we are all bound up.

Whether their proposals and deliberations express approval, doubt, disappointment or misgiving, they are always a source of inspiration to the High Authority, as is everything which represents active encouragement for the future of our institutions.

The Consultative Assembly, as M. Struye points out, recently expressed the hope that the High Authority would analyse the development of production and trade in coal and steel in relation to the rise of production and trade in other sectors, both inside and outside the Community.

I should like to thank M. Struye for his courtesy in quoting, in Section 64 of his report, the points I made in my statement to the Common Assembly on May 8th of this year. I propose to deal with these further on the present occasion, in somewhat greater detail.

After less than four years in being, the Common Market is enabling our industries to launch out on the economic development which is so indispensable if we are to achieve our great objective, integration. At the same time, there is a definite process of levelling-up in economic and social conditions in the six Community countries.

The abolition of customs barriers and quantitative restrictions, and the changes in transport rates were aimed at achieving a better division of labour in consequence of the resulting greater volume of trade.

We are today in a position to confirm the achievements registered in this respect, since statistics show that from 1952 to 1955 the volume of trade in Community products as

between the six countries increased by 92 %, as against 64 % for other products, without any reduction in the proportion of exports to non-member countries.

As the boom conditions became more marked, trade between one country and another increased, for the first time in the Community, at a faster rate than production itself. This had a very definite stabilizing effect on the market, and it also resulted in the elimination of certain forms of speculation formerly practised by consumers, before the introduction of the Common Market, when it seemed likely that the national authorities might adopt restrictive measures which could impede or even cut off overnight the flow of supplies across the frontiers.

The first effects of the Common Market have not been confined to the volume of trade. Up to the end of 1955, thanks to the abolition of dual pricing, the average prices of Community products, in trade among the six countries, continued lower than the average prices of other commodities. Taking the 1952 level as 100, we find that the average price of Community products in 1955 was 81, as against 92 for other commodities.

This rise in trade and stabilizing of prices is due in part to a geographical redistribution of the areas of the Community from which consumers obtain their supplies. The rationalization of the processes of trade, and the consequent reduction in transport costs, are more and more in evidence all the time :

France and the Saar have increased their deliveries of coal to Southern Germany ;

the Ruhr and Lower Saxony have been selling more to the Netherlands and less to Southern Germany ;

the Dutch Limburg and Belgian coalfields have been sending more to the South, particularly to France.

The lowering of transport costs as a result of the introduction of international through-rates is yet a further addition to the list of results I have just briefly enumerated.

At the same time, all these results have contributed to the recent increase in steel consumption per head of the population and the improvement in the standard of living of the working-class population in the Community.

In Italy, which is not so highly developed industrially, the level of production and consumption per head of the population has risen nearer to the higher level prevailing in the other countries. Thus, in three years Italy's steel consumption per head of the population has gone up 44 %, whereas the figure for the other countries was only 28 % ; similarly, its crude-energy consumption per head of the population is up by 26 %, as against 11 % in the other Member States.

Again, since 1952, the trend in wages in the Community industries has been, in general, more satisfactory than in the Community countries' processing industries as a whole. A process of harmonization has set in, inasmuch as the increase in wage-earners' incomes has been most marked in the countries where the wage-scale was previously the lowest in the Community.

I mention the wage trend in particular because this is a field on which we possess detailed statistical information.

I should not wish, however, to pass over the progress made since 1952 regarding the other aspects of workers' conditions in the Community : while I am not out to claim that the Common Market has been predominantly responsible, nor am I in a position to assess precisely the extent to which it is responsible at all, it is certain that it has facilitated, and perhaps accelerated, the substantial improvement which has taken place in recent years for the workers of the Community. It would be interesting to know how far this is due to the exchange and dissemination of material on vocational training, for instance, on working conditions and on the shorter working week.

I think, Mr. Chairman, that these points are an adequate response to the wishes expressed by the Consultative Assembly. May I, before I go on to the next part of my statement, mention that the High Authority certainly does not seek to ascribe the considerable expansion of the present boom simply and solely to the existence of the Common Market.

Nor do we seek to contend that there is now no tightness of any kind in the Common Market, and that trade is wholly satisfactory both to the producers and to the consumers. We fully realize, and we are striving all the time to solve — by our studies of the way in which the situation is developing, by the advice we are asked for, and also by the watch we are keeping on the functioning of the coal-selling agencies — the difficulties arising in consequence of an exceedingly vigorous expansion which is revealing a number of bottlenecks.

Imports of coal from the United States, which are being stepped up considerably, are serving to avert a serious shortage, which has not so far materialized. The large tonnages which have to be thus imported are causing the economy of the Community to develop certain new features which may turn out to be permanent, and they raise a number of problems, which have been minutely studied during the summer by our experts, and will be fully dealt with in the new definition of the general objectives which will be submitted shortly for discussion by the Common Assembly.

On the other hand, we remain convinced that the approach to the problems from the point of view of the Community as a whole, the constant joint consultations, the number of opinions which the High Authority can assemble as a basis for its assessment of the position, have made it possible to work out measures and arrangements but for which, in all probability, disruptions would already have occurred in the basic economy of our six countries. Such disruptions, accompanied as they would have been by speculation, would undoubtedly, in the absence of a common market, have made international agreements between our countries much more difficult, with the sole exception of those "agreements" which are prohibited by the Treaty.

In any event, if asked whether the Common Market has encouraged the expansion of production and trade, we can safely reply in the affirmative. We are convinced that it has done so, to say nothing of the structural changes in certain industries, and of the investment policy, particularly in the iron and steel industry, which has received impetus and orientation from the competition in the Common Market.

The economic effects thus brought about by the Treaty are a matter of particular gratification to the High Authority when it considers that, thanks to the implementation of the provisions concerning the readaptation of workers, the social consequences of these structural changes have not to be borne by the labour element.

Ten million dollars have already been allocated by the High Authority under this scheme, covering some eighteen thousand workers, not to mention the various measures taken to enable them to obtain new and more stable employment.

Our six countries can pride themselves today on their vigorous iron and steel production, so strong and flourishing that it is benefitting the whole of Europe, and enabling our industries to stand up successfully to competition all over the world.

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I now come, Mr. Chairman, Ladies and Gentlemen, to the external relations of the Community. I would stress that the year which has elapsed since you last met has been marked, as regards the Community's external relations, by a considerable number of important developments.

The High Authority has been able to amplify and sustain the policy which, with the approval of the Assembly, it set forth earlier, a policy which aims at building up an open Community and fostering the numerous connexions which may develop in varying degrees between it and the non-member countries.

At last year's session, I was able to inform you that the Council of Association between the Community and Britain had held its first meeting, in Luxembourg, on November 17th, 1955. The Council has met twice since that date, once in London, and once in Luxembourg. The next meeting will be in London on November 18th.

I should like to mention here the strong interest which the High Authority and the Council of Ministers take in the proceedings of the Council of Association. A year's experience of its operation, the exchange of views which have taken place there and the work of the expert committees, of which I shall speak to you presently, have confirmed the High Authority in the view I stated to you last year, namely that

“the High Authority is determined to do all that lies within its power to give practical effect to this agreement, to explore its inherent possibilities and to prepare further measures along the lines indicated.”

We are sure that the President of the Board of Trade, the Minister of Fuel and Power and both the Chairman of the National Coal Board and of the Iron and Steel Board, who are the British members of this Council, share our views, and in no way underestimate the importance of joint study and co-operation, for which the Council of Association is the form of joint body which they have chosen to represent Britain and the countries of the Community.

At its first meeting, the Council of Association set up three technical committees, the Coal Committee, the Steel Committee and a Trade Relations Committee. Their terms of reference cover all the functions incumbent upon the Council under the Association Agreement.

You will no doubt recall, Mr. Chairman, Ladies and Gentlemen, that just before the first meeting of the Council of Association the British Government found itself obliged to curtail exports of coal very considerably.

Thus, no sooner was it set up than the Coal Committee had to deal with a number of very concrete supply problems.

A most co-operative spirit was shown during its discussions, especially by the National Coal Board, to which I should like to pay particular tribute. Also present at the discussions were representatives of the member countries most affected by the restrictions.

Work has gone on more or less non-stop on the comparing of the problems arising in the two markets, as also the endeavour to arrive at solutions by joint study in the light of a full exchange of all relevant information. By adjustment of the arrangements as to the action to be taken by both parties, particularly regarding the different grades of coal to be traded, it has been possible to secure a re-casting of the United Kingdom's export programmes to the Community countries for 1956. Whereas the British authorities originally envisaged only a reduced export programme of 1,300,000 tons for 1956, deliveries will, as a result of negotiations, ultimately reach nearly 3 million tons.

The High Authority is particularly satisfied with this result, inasmuch as the Coal Committee at no time lost sight of the requirements of the non-member countries.

The work of the Steel Committee was somewhat different. It started its work by undertaking co-ordinated studies on supplies of raw materials, shipping, harbour installations, price developments in the home markets and the trend in trade between the United Kingdom and the Community, but was, subsequently, given a quite new and very important task, that of studying the structure of steel prices in the United Kingdom and in the Community.

The Council of Association could not, of course, overlook the problems raised by the world shortage of scrap, and full details were exchanged enabling both parties to gain a better picture of the short- and long-term action planned on both sides in order to save scrap and reduce imports.

The Council of Association attaches great importance to long-term problems in regard both to coal and to steel. The British Government and the High Authority are alike keenly

interested in aligning the methods of defining the general objectives in the United Kingdom and in the Community. We shall certainly achieve closer co-operation in this respect ; the two Committees, the Coal Committee and the Steel Committee, together drew up a first balance-sheet of the position in October.

You will also be aware that after the terrible disaster at Marcinelle, which was referred to at the beginning of this meeting, the High Authority asked the Council of Ministers that a conference be called to discuss safety in the coal-mines. British participation was secured, in accordance with the wish of the six Governments, and a British Government delegation is attending the conference, which is now meeting in Luxembourg.

The Trade Relations Committee has an important and decidedly difficult task. Article 8 of the Association Agreement requires that the Council shall examine restrictions, customs duties and other factors affecting the normal flow of trade in coal and steel between the United Kingdom and the Community, with a view to making proposals for their reduction or elimination. The Trade Relations Committee, on instructions from the Council has produced a comparative list covering, in particular, customs duties on steel in the United Kingdom and the Community.

These studies are now completed, and the Committee is all set to start on the duties assigned to it under Article 8 of the Agreement.

At its meeting on October 4th of this year, the Council of Ministers instructed the High Authority to submit to it, in agreement with the British Government, proposals as to the action to be taken, not later than by the end of the transition period, regarding tariff relations between Britain and the Community.

The Council of Association is thus in a position to continue its examination of the position. Its proposals, in the light of the studies in progress on tariff relations between

the United Kingdom and the general Common Market, are likely to be of considerable importance.

On May 7th 1956 a Consultation Agreement was signed between the High Authority and the Swiss Federal Council. Under this agreement, mutual consultations must take place if and when either, following the declaration of a shortage, the High Authority is empowered to take certain action involving allocation of supplies and restrictions on exports, or Switzerland finds it necessary to take measures which might affect the traditional trade in Treaty products.

The agreement is a consultation agreement only: the contracting parties are left free to decide as they wish, but they can at any rate rest assured that before any decision is taken they will be in a position to take into account the mutual interests of the Swiss Confederation, on the one hand, and the Community, on the other.

The consultative body set up under this agreement is a permanent Joint Commission comprising representatives of the High Authority and the Federal Council in equal numbers.

The conclusion of this entirely new type of agreement is a matter of particular satisfaction to the High Authority: it confirms the point I made a few minutes ago, that the Community is always willing to co-operate with the non-member countries, and that ways and means can be worked out to organize and fructify relations with them.

Another agreement with Switzerland, this time relating to transport — introducing international railway through-rates for the carriage of coal and steel in transit across Swiss territory — was signed on July 28th between the Swiss Government, the Member States of the Community and the High Authority.

The breaks in rates hitherto operating in respect of Community products on their arrival at the Swiss frontier have been abolished. This means that tapering rates now apply to goods in transit through Switzerland, so that the

agreement amounts in practice to an extension of the Community rate-fixing system across the territory of a non-member country.

The Swiss Confederation, in signing the agreement, successfully contrived to combine its own interests with the co-operation which, situated as it is in the centre of Europe, it is able to provide in regard to the problem of Community transport rates.

Its example, has, moreover, been followed: negotiations were begun in Luxembourg on 4th September of this year with Austria, and are now proceeding favourably for the conclusion of an agreement similar to the one signed with Switzerland.

May I, while I am on the subject, take this opportunity to congratulate you, in the name of the High Authority, on the recent addition of Austria to the list of countries represented at your meeting.

At the same time as we are meeting here, Mr. Chairman, Ladies and Gentlemen, there is being held in Geneva the eleventh session of the Contracting Parties to the General Agreement on Tariffs and Trade.

As you know, each year during the transition period the Member States submit to G.A.T.T. a report on the action they have taken in regard to the full implementation of the Treaty. The discussions, which then follow on the report, enable the Contracting Parties to gain a picture of the development of the Common Market, and to assess what is being done by the Community towards eliminating impediments to trade and raising standards of living — two of G.A.T.T.'s main objectives.

These discussions have, on occasion, been fairly heated. It is understandable, after all, that certain non-member countries, which for various reasons have not felt able to accept the rules of the Common Market, but which traditionally depend on the Community for their exports and

imports, should take a keen interest in the debates on trade and prices. But both the Member States and the High Authority have shown themselves willing to take up the matter and to supply all possible information, figures and explanations.

We trust that the very full information which we have again supplied to G.A.T.T. this year will entirely satisfy the expectations of the Contracting Parties.

A new element predominated during this last year in our relations with G.A.T.T. : at the fifth big conference on tariff negotiations, which opened in Geneva in January under the auspices of G.A.T.T., the High Authority, which had until then attended GATT proceedings only as an observer organization, embarked on actual negotiations, on instructions from the member countries, for a reduction of the Community's external tariffs, with a view to their further harmonization.

The joint mandate thus given to the High Authority by the six member countries to carry on tariff negotiations with other countries in their name and on their behalf was tangible evidence of the economic and political reality reflected in the European Coal and Steel Community.

Thus negotiations were opened with the United States and with Austria in respect of special steels and ordinary steels, and culminated in tariff agreements with these two countries. The agreement with Austria was the outcome of discussions which had been going on ever since the introduction of the Common Market for special steels, with a view to satisfying Austrian anxiety for the continuance of the conditions for the traditional flow of trade in iron and steel products between the Austrian and Community markets.

The two tariff agreements reached in Geneva with the United States and Austria have a value going beyond their actual provisions. They are proof of the member countries' determination to bring about a progressive reduction of their external tariffs towards harmonization at a level of minimum protection, without their waiting, as they would have been entitled to do, for the end of the transition period.

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I now come to the question of economic relations between the Community and non-member countries.

First of all, I would note two salient points :

The Community's share in the world's trade in coal, coke, iron ore and scrap is far bigger than its share in the world's production of these commodities. More than half the steel flowing into international trade comes from the Community.

This is an indication of the importance of the Community's economic relations with non-member countries.

At the same time, since the introduction of the Common Market, the Community's exports of coal, coke, iron ore and scrap have risen more steeply than those of the rest of the world.

I referred just now to the very marked rate of increase in trade in iron and steel products between the Community countries since the introduction of the Common Market. A fact which is perhaps less widely known, and which I am glad to have an opportunity to emphasize in the presence of delegates from countries in Europe that do not so far belong to the Community, is that the Community's trade with non-member countries has also risen substantially since the Common Market was first introduced.

Thus, in relation to their 1952 level, exports of rolled products from the Community to non-member countries stood at 121 % in 1955 and at 138 % in the first six months of 1956, while imports during the first quarter of 1956, though admittedly small in absolute value, reached 180 % of their 1952 level.

As regards the raw materials for iron and steel production, the increase in the flow of trade with the non-member countries was greater still : in 1955 the Community's exports of iron ore represented 169 % of their 1952 level, and its imports 137 %. Finally, the scrap import rate was more than seven and a half times higher in the first six months of 1956 than it had been in 1952.

A considerable proportion of this multifarious flow of trade between the Community and other countries is with non-member countries in Europe. In 1955, such countries took 47 % of the Community's exports of rolled products, 76 % of its exports of pig-iron, and the whole of its exports of iron ore. They supplied 66 % of the Community's iron-ore imports.

I would add that, despite the extremely rapid rise in internal steel requirements during the last few years, the percentage of the Community's iron and steel production going on exports has not diminished in recent months.

As for prices, I should like to say once again what the High Authority had occasion to say some days ago to the members of the Consultative Assembly's Committee on Economic Questions at a meeting held under the chairmanship of M. Federspiel. Although quite recently, after remaining unchanged for eight months, Community export prices did show a rise, it should be borne in mind that bigger increases in the prices of the other two main exporters, Britain and the United States, took place in May and August respectively. In any case, with the exception of certain products, the Community's export prices are still below those of the other countries.

In view of the fact that price fluctuations are always greater in international trade than in the internal market of the Community (since Community prices have to be published in the enterprises' schedules), it does not seem to us that such difference as can be noted between home and export prices go beyond the equitable limits laid down in the Treaty. Moreover, some months ago, when a certain edginess in export prices began to be perceptible, the High Authority did not fail to remind Community producers that care should be taken to see that these "equitable limits" were not overstepped. I am glad to say that the High Authority's recommendation was complied with.

As a result of the extremely rapid development of iron and steel production, and in spite of the efforts made by the

Community iron-ore mines, requirements of iron-ore imports are tending to increase steeply. In 1955, they stood at 18,500,000 tons and will probably reach some 30 million towards 1960.

This development will only be possible if the Community finds, both from its traditional suppliers, such as Sweden, and in more distant parts of the world (particularly in Central and North America, and West Africa) regular supplies of iron-ore at reasonable prices, and if steps are taken to guarantee the shipment of these growing quantities of raw materials to the European ports.

Despite these growing import requirements, traditional exports of Community iron-ore, for which the main customers are the United Kingdom and Austria, continue to rise.

Another raw material of the iron and steel industry is causing the Community more serious and pressing concern. In 1954, we overstepped the point at which our scrap resources balance demand. Only a part of these resources — about 70 % — rises in proportion to steel production. The remainder, obtained by the collection of salvage scrap, increases at only a very slow rate. So, until the projected structural changes in the Community's steel production have had time to make their effects felt, the production of every extra ton of steel will necessitate a substantial contribution of imported scrap. Thus, the Community was obliged to import 3 million tons of scrap in 1955, and imports are at present rising still more steeply. These imports are obtained at rapidly increasing prices : within 6 months, from December 1955 to June 1956, the average price of scrap imported by the Community rose by almost \$ 10 — or 15 %.

The High Authority has never failed in the past, and is letting slip no opportunity, to emphasise the structure-changes which are needed in order to save scrap and increase availabilities in pig-iron. As a short-term measure, it has asked the Member States to suspend customs duties on pig-iron imported from non-member countries. I have no doubt that our policy

is understood, and that we can continue to have access to a fair share of the world's supply of scrap.

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I should now like to examine the problem of exports of Common Market coal to non-member countries.

With the exception of some very small deliveries, Community producers export their coal only to the other countries of Western Europe. Since 1953, a further country, the United Kingdom, has become one of the Community's customers. The United Kingdom, whose coal situation was thrown out of balance a few years ago, is now an importer, and seeks to import the maximum of its requirements from Europe in order to avoid an outlay of dollars for the purchase of American coal.

The United Kingdom imported from the Community about 500,000 tons in 1953, 2,400,000 tons in 1954, and 4,500,000 tons in 1955. In relation to the total British consumption of about 225 m. tons, deliveries from the Community represent, certainly, only a supplementary supply, but they have their value, not merely in terms of tonnage, but also of quality.

The Community hopes to be able to keep up a flow of trade, although the present tightness in the coal market makes its contribution more difficult than two or three years ago.

Apart from the United Kingdom, the main importing countries are Austria, Switzerland and the Scandinavian countries (Denmark, Finland, Norway and Sweden), which account for 85 % of the Community's total exports.

Austria depends very largely on the Community for meeting its requirements in solid fuels. The proportion of Community coal in the total of Austrian imports was, in 1955, 35 %, after an increase of about 50 % over the years 1950 to 1954. Of exports from the Ruhr, which amount to 1,000,000 to 1,500,000 tons a year, a large proportion is made up of coking coal delivered to Austrian coking plants.

The present inability of the Community to supply the whole of the tonnages requested by Austria is, of course, a source of regret, and it forces Austria to make up the rest of its requirements with coal from the United States, involving very high transport costs.

As for coke-oven coke, the orders placed in the Community come to about 600,000 tons a year; this represents 90 % of coke imports and 30 % of the total internal consumption. Here too, it must be said, that the Ruhr, which is, with the Netherlands, the main supplier, is not at present in a position to meet the whole of the increased demand.

However, Austria is the only non-member country in Western Europe — apart from the United Kingdom — which itself produces solid fuel. This latter, although mainly consisting of lignite, makes it possible, owing to the rapid development (6,300,000 tons in 1955 as compared with 5 million tons in 1952) to meet a large part of internal, in particular household, requirements.

Switzerland, on the other hand, depends entirely on imports for its solid fuel requirements, 90 % of which, as regards both hard coal and coke, are met by the Community. Deliveries to Switzerland not only display a remarkable stability, but even tend to increase to fill the gap left by the United Kingdom and Poland. Switzerland imports annually 1 to 2 million tons of hard coal and 5 to 600,000 tons of coke.

The situation of the Nordic countries is quite different; these relied to a far greater extent on British and Polish coal. They were thus more affected by the curtailment of British exports.

Community exports to Denmark, which, as regards hard coal, amount to 2 to 300,000 tons a year, represent only 5 to 7 % of that country's imports. For coke, on the other hand, the percentage is 70 %, with an annual figure of 1 million to 1,500,000 tons. Although Denmark is one of the few countries to which the United Kingdom keeps up a fairly substantial

flow of exports, the part played by coke in domestic consumption obviously makes the present situation a rather difficult one.

Similarly for Sweden, the Community's share in its hard-coal supplies is comparatively small, from 15 to 20 %, with 3 to 500,000 tons yearly, while the percentage for coke, with 2 million tons a year, is in the region of 85 % to 90 %.

For Finland and Norway, imports of hard coal from the Community are very small, with percentages, in relation to total imports, of less than 10 %. For coke the percentages are much higher, about 30 %, but for inconsiderable tonnages, not more than 100-150,000 tons per annum for each country.

The proportion of solid fuels in the total energy consumption of the various countries just mentioned is, in any case, very different.

In Denmark and Austria, total energy consumption in 1954 (the latest year for which we possess the relevant figures) still relied for more than 50 % on solid fuels — 68 and 59 % respectively. For the other countries I mentioned, the percentage is less than 30 — Switzerland 26 %, Sweden 24 %, Norway 11 %. Despite the smallness of some of these percentages, as regards both quantity and relative value, they are still important from the point of view of quality, even apart from the commercial interests concerned.

Having made this point, I would give you a further comparison between the present scale of coal imports from the United States of America and the volume of Community exports to non-member countries. The 24 million tons of American coal imported by the Community are twice the total tonnage of hard-coal exports to non-member countries.

But, if we take the balance-sheet for coke-oven coke separately, we find that exports to non-member countries average 8 % of the production for the years 1953-56 — which is quite a percentage and shows that when supplies are

short some deliveries of coke to non-member countries are made at the expense of supplies within the Community.

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I shall conclude this rapid sketch of the coal situation as between the Community and non-member countries with some remarks on coal export prices.

As you know, producers do not publish their price-schedules for sales abroad, as the transactions are arranged individually between the producers and the consumers, dealers or importers at the other end. Every contract is different: the tonnage, length of the contract and the producer's relations with the buyer over a period of time are the main elements involved in concluding it. Moreover, such contracts are often signed on the basis of bilateral agreements between the receiving member country and the selling member country.

This being so, the prices of coal exported from the Community are different at any given moment according as the coal is being delivered under long-standing contracts now being implemented, or as part of a flow of trade which the producer is maintaining by allowing his customer favourable prices (favourable at any rate in that they are stable), or as individual sales representing deliveries for a special purpose which the producer has been particularly asked to arrange, sometimes even at high prices.

Averages based on such disparate considerations and varied transactions would be meaningless.

I would, however, remind you that at times when business was slack, the enterprises of the Community were obliged, if they wished to keep their traditional customers, to align their export prices with the delivered prices of coal from the United States. This was done in 1954 and 1955.

This need to align prices in selling to non-member countries bears very hardly on the Community collieries, since the physical and technical conditions involved in mining

Community deposits do not allow the enterprises to adjust supply to demand, while, on the other hand, collieries in the United States are in a position to cut their expenditure considerably thanks to the very great elasticity of production, in order to adapt themselves to fluctuations in requirements. In addition to the technical considerations which bear heavily on the production costs of the enterprises of the Community, we have the incidence of the freight charges, which vary enormously according to the ups and downs of the economic situation.

During the period of boom conditions, the Community has been striving, despite the requirements of consumers within the Common Market, to keep up, in the main, the traditional flow of exports, while not benefiting fully by the possibilities of alignment with prices on the world market.

This is a point worth stressing here. It should not be overlooked that the tonnages exported by the Community have to be made up by increased imports of American coal at a price higher than most Community export prices. This means that Community consumers are paying a high price for something like three-quarters of Western Europe's total imports from the United States.

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I ask your indulgence for having dwelt at some length on my analysis of the external economic relations of the European Coal and Steel Community.

I hope I may have made it clear to you that this Coal and Steel Community is today an increasingly vigorous economic entity, that it is the centre of an industrial activity which is still vital to the rest of the world, that it is a most important partner in international trade, both as a buyer of raw materials and as a major exporter of steel.

But the picture has its darker side.

These last few months have shown us, by the tightness in the coal market, by the growing requirements for imported coal payable in dollars, by the threats to Europe's supply of liquid fuel, how dependent Europe is in regard to energy.

Every European today realizes this, knowing as he does that energy consumption per head of the population is, along with steel consumption, the yardstick for the standard of living, and that when they go up the standard of living goes up too.

For this reason, it is urgently necessary that there should be a concerted energy policy for the countries of Europe — beginning with, but not confined to, the countries of the Community. Pending the emergence of atomic energy on the economic market, the policy to be pursued by our countries in regard to conventional energy must be co-ordinated if the European States wish to encourage those investments which are most profitable economically and at the same time the quickest and most reliable means of keeping Europe supplied with an increasing output of energy.

The Brussels Intergovernmental Committee suggested that the High Authority should carry out the studies needed for the Council of Ministers to prepare the broad outlines of such a policy.

The action which the High Authority has already been obliged to take, ever since the beginning of the Suez crisis, in order that it may be equal to its task, should circumstances make it necessary overnight to introduce unavoidable fuel restrictions, has already compelled it to study in detail the problems of substituting one form of energy for another, notably fuel oil for coal.

Thus, just when the official experts were urging their Governments to realize the value of a concerted energy policy, developments were causing the High Authority in its own field to take the first practical steps in planning this new stage now seen to be indispensable.

The High Authority trusts that the need to go forward quickly and fearlessly with the co-ordination of energy policies, if we are not to be forced back by developments which are sometimes beyond our control, will put an end to the resistance which has been forthcoming from certain quarters. This is, I think, the place to say so, for, as the Brussels Committee has pointed out, some European countries which do not belong to the Community have a vital part to play in the establishment of such a policy.

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It will come as no surprise to you, Mr. Chairman, Ladies and Gentlemen, that I should end, after speaking of the European countries not belonging to the Community of the Six, with a few remarks on the trend of thought in Britain, our Associate Power.

I refer, as you may have guessed, to the change of mind which has come over the British Government and the Federation of British Industries in regard to a closer relation with the projected general Common Market, in the form, for instance, of a free trade area with that market.

The High Authority, I need hardly say, is more than pleased at this development in the British attitude. It considers this to show that Britain recognises the effectiveness of the work which the institutions of the Community have been doing for the last three years.

In the views now being put forward, the High Authority detects an echo of the points which its Members themselves made to the British members of the Council of Association in the spring, as a basis for working out what the relations should be between the Common Market for steel and Great Britain.

For this new form of economic co-operation to develop, one thing is needed above all, and that is that the general Common Market should take definite shape and come into

being among the six countries accepting the customs union it involves. Any misunderstanding on this point would infallibly lead to disappointments.

The High Authority has further noted, with considerable satisfaction, the observations by M. Benvenuti to Western European Union in his excellent report on the control of atomic energy, in which he points out that the experience of the Community has shown that the abrogation of the right of veto has not had any serious consequences, and, more particularly, that a joint Executive with funds of its own is a *sine qua non* in any attempt to overcome the inertia of co-existing sovereign authorities, the attitude of traditional administrative machinery and the desire to maintain vested interests.

There would, however, be no object in ignoring the fact that in a number of Community countries the struggle against inflation and the governments' concern in connection with the standard of living sometimes make it difficult to combine the economic policy they adopt with the basic concept of a common market governed by market prices and extended competition within. This is a problem beyond the scope of partial integration as represented by the Coal and Steel Community, where these difficulties are already making themselves felt.

We must recognise the problem resulting from these apparent contradictions, and we must, above all, see to it that, in order to resolve them, the operation of the European institutions at some future date produces the joint economic and monetary policy of a greater Europe, which will thus ensure at once the unity of Europe and a better future for all its people. (*Applause.*)

The Chairman. — (*F*) Ladies and Gentlemen, I know you will all wish me to thank M. René Mayer, President of the High Authority, for his introductory statement, which will certainly form a most useful basis for the subsequent debate.

5. *Report on the activities of the Common Assembly
from 1st July, 1955 to 30th June, 1956,
presented on behalf of the Common Assembly by M. Struye*

The Chairman. — (*F*) I now have pleasure in inviting M. Paul Struye to introduce his Report on the activities of the Common Assembly from 1st July, 1955 to 30th June, 1956.

I call M. Struye.

M. Struye (Belgium). — (*F*) Mr. Chairman, Ladies and Gentlemen, as has just been said, the Report which it is my duty to present to you covers the period of the Common Assembly's work between 1st July, 1955 and 30th June, 1956. It is specifically provided for by the Treaty instituting the European Coal and Steel Community and is the third of the series.

My predecessors, M. Alain Poher and M. Roger Motz, set out to explain the Common Assembly's functions and methods and describe its legal characteristics and work, which they did with great accuracy and thoroughness, thus giving a complete and masterly account of what I might call the theoretical aspect of the Common Assembly's activities. I therefore wish to avoid covering the same ground.

Perhaps it would be as well to mention, however, that the Common Assembly has passed through two fairly distinct phases since 1952. The first ran from the entry into force of the Schuman Plan to the rejection of the European Defence Community. In this phase the Assembly thought that real federation or, rather, confederation was close at hand, and believing itself — not unnaturally — destined to play a parallel role to that of the national parliaments, demanded the necessary extension of powers.

The main features of this period, as you will remember, were the establishment and outstanding work of the Ad Hoc Assembly and the Constitutional Committee, and the drafting of a Treaty embodying the statutory provisions of a Political Community.

The second phase began with the Resolution submitted by M. Teitgen in December 1954. I think this Resolution, three months after the French Parliament's refusal to join the E.D.C., helped to resolve the resulting crisis, for the Common Assembly declared it would safeguard the ECSC Treaty, both in the letter and spirit, by reaffirming its determination to make the Schuman Plan a complete success despite the events of August 1954. Thanks to M. Teitgen's initiative, it thus prepared the way for what is known by a not very elegant, but nonetheless apposite term to which we must now accustom ourselves, namely «the new drive for European integration.»

As a result of the studies and research, the Working Party set up by the Common Assembly soon cast clearer light on the position of the Community's institutions, as compared with their national counterparts, and it may now be considered that the Common Assembly is in a half-way position between the older form of national Assembly and the present national Parliaments.

Ladies and Gentlemen, I propose to examine in turn the three points raised in this Report: the Common Assembly in relation to the specific problems of E.C.S.C.; the Common Assembly and the «new drive», and, lastly, the Common Assembly and matters of particular interest to the Consultative Assembly of the Council of Europe, to which, as I shall not forget, my remarks are mainly addressed.

I begin, therefore, with the Common Assembly and problems confronting E.C.S.C.

While it surely behoves the Common Assembly to be fully aware of the extent of its competence and of ways of exercising it, it has been anxious to know whether the present provisions of the Treaty enabled the Community, fully or partially, to attain its objectives, and that is why the Working Party, which I told you had been formed, tried to prepare the ground.

With regard to the duties and powers of the Common Assembly, it was clearly shown that, while this body has to

exercise political control over the High Authority's activities, it has no authority over the Council and Member Governments of the States whereas these bodies possess Community-wide jurisdiction. National parliamentary control should therefore supplement supranational parliamentary control. The whole problem of collaboration between the Common Assembly and the parliaments is thus an extremely pressing one.

To this question is linked that of public information. No political idea — indeed, no idea of any kind — can survive without widespread popular support; the Common Assembly has therefore been seeking ways and means of making its existence and its action known.

With this in mind, and without being disloyal to Strasbourg, where we are very glad to be meeting today, the Assembly proposes to hold extraordinary Sessions in the various capitals of the Community States in turn. The first Session of this kind took place in Brussels last March and the experiment met with real success, public attention being more attracted to this «away fixture» if I may call it such, because it was a non-routine event.

The Common Assembly services are also making increasing efforts to improve their publicity methods, drawing on the experience of many international institutions — and fully realising that it is not the quantity and variety of the information distributed to the press that produces really effective publicity, but its quality and suitability.

While the Common Assembly cannot allow the populations of the various countries to remain ignorant of its work, but must publicise its activities throughout the year without resorting to the usual propaganda, conversely it must keep in touch with public reactions to it. It must therefore have at its disposal all the information necessary to enable it to carry out its task of political control.

Bearing this in mind, it requested, and the High Authority agreed, that in future annual general reports on the activities of the Community should give not only an histor-

ical account of the facts, but also an explanation of the High Authority's past and future general policy.

I think it will be useful, Ladies and Gentlemen, to inform you of two as yet unsolved difficulties which have arisen in connection with the information needed by the Assembly. The first is due to different interpretations of Article 47 of the Treaty concerning professional secrecy. This Article provides that the High Authority gather such information as may be necessary to the accomplishment of its mission and may have the necessary verifications carried out, which is perfectly normal. But the Article cautiously and wisely adds that the High Authority shall not divulge information which by its nature is considered a professional secret and, in particular, information pertaining to commercial relations or the breakdown of the costs of production of enterprises.

Like many legal texts this is obviously open to narrower or broader interpretations. The Assembly is inclined to accuse the High Authority of exploiting this clause too often when it suits it to keep silent, particularly before its committees. The High Authority points out that anything which could be considered a violation of professional secrecy would render it liable to action for damages by the party considering itself injured. I take no stand in this dispute, but I think it as well to explain its nature.

The second difficulty in this field concerns the transmission of documents to members of the Common Assembly especially the official reports of meetings of the Consultative Committee. Here again there are differences of approach. Some members of the Assembly regard the Committee as a body of experts which is supposed to exert, and must normally exert, a certain influence upon the High Authority, and believe it would be normal for the Assembly, as it is expected to give its opinion, to know what the experts' attitude is. But the Consultative Committee itself considers that such communication would deprive its members of their freedom of expansion.

Here again, I am stating the facts of the problem without claiming to solve it.

Perhaps the solution of these information problems would be facilitated by appropriate action by the Assembly's political groups. I must draw the Consultative Assembly's attention to the increasing importance of the political groups: not only do speakers frequently intervene on behalf of their group, but the latter are now beginning to issue public statements explaining their divergent, sometimes very divergent, attitudes on specific points. No doubt these must be regarded as the first indications of political doctrines being formed on a European level.

A striking example of this development is the very clear attitude adopted by the Socialist group during the last sitting of the Common Assembly. This group, in a speech which gave rise to a point of order, expressed its disagreement with the policy followed by the High Authority, especially in social matters. As a result of this statement the two other groups in the Assembly (Christian Democrat and Liberal) also made statements in which they expressed their confidence in the High Authority's action.

Naturally, this increasing activity of the political groups in the Common Assembly has already raised the question whether a similar development in the Consultative Assembly should not be considered with advantage, and its distinguished President, M. Dehousse, had made certain suggestions in this respect. Without committing myself on the subject I would merely point out for your information that there is a fundamental difference between the Common Assembly and the Consultative Assembly.

The Common Assembly is almost entirely divided into three political groups: the Christian Democrats, the Socialists and the Liberals. Only one or two of its members belong to none of these groups, and I must add, with all honesty, that their rights have always been strictly respected since the political groups have themselves emphasised that non-membership of a group should not be treated as a kind of inferior status.

All the same, there is a fairly general alignment in contrast to the position in the Consultative Assembly where,

mainly owing to the presence of Scandinavian, Greek and Turkish Representatives, a considerable number of members belong to none of the three groups which make up almost the full complement of the Common Assembly.

The Common Assembly, Ladies and Gentlemen, has also been concerned with budgetary problems and has insisted in increasingly strong terms on its determination to exercise effective control, in spite of the very narrow limits — too narrow for its liking — to which it is confined by the Treaty.

Linked to this desire to see the funds of the Community judiciously spent are the repeated requests by certain members of the Assembly to abolish the privilege, held by many to be unwarranted, whereby members of the staff of the Community enjoy tax exemption on their salaries. As we have heard time and time again, neither the High Authority nor any of the organs of the Community can be reproached on this score as they are only applying the tax exemption provisions of the Treaty which are in turn based upon precedents going back to the League of Nations after the First World War. It is nonetheless certain that, in the view of some members of the Assembly, the growing number of international civil servants and officials exempted from taxation is creating unrest, which many consider should be dispelled in the interests of the international organisations themselves.

With regard to the fulfilment of the Community's aims, the Common Assembly has held a long and thorough enquiry into the provisions of the Treaty to see whether they do, in fact, enable these aims to be achieved. The conclusions reached on these points by the various committees of the Assembly are given in a masterly report by M. Kreyszig, a member of the Working Party.

I think they may be fairly summarised as follows :

First, there are proposals for improvement entailing no amendment of the Treaty. These are the most interesting, in the sense that it should be possible to put them into immediate effect. The High Authority is asked to increase its

efforts to prevent industrial accidents and occupational diseases, to carry out technical and economic research, and to co-operate more closely with Governments in order to regulate or influence general consumption, especially on the part of the public services. The High Authority is urged to do everything possible to abolish administrative obstacles and in particular the licensing system. It has been suggested that the High Authority draw up a memorandum on its iron and steel policy similar to that published on its coal policy.

In the social sphere special emphasis is laid on the importance of encouraging the building of houses for workers.

Next come the proposals for improvement entailing amendments to the Treaty, primarily in social matters, for it is here that the shortcomings of the Treaty have become most apparent. The improvement in living and working conditions and the raising of the standard of living did not automatically result from the existence of the Community as the Treaty seemed to lead us to expect, to judge by the wording of Article 2. The conclusion reached is that, as soon as the transitional period has expired, it will be necessary to invest the institutions of E.C.S.C. with powers commensurate with the social objectives to be attained.

In connection with re-adaptation, the purpose of the proposed amendments which I am examining is to grant the High Authority a right of initiative so as to ensure that re-adaptation assistance may be granted in the event of total or partial unemployment resulting from fluctuations in the economic situation, and to provide for the possibility of exempting the Government concerned from payment of its part-contribution to re-adaptation if it sets to work to create new activities.

I now come to what has been the Assembly's most practical and, if I may say so, most immediate task, during the past year — the action it has taken in connection with the High Authority's activities. It is here that the functions of the Common Assembly most closely resemble those of a national parliament, for this vital activity consists in discussing

and, if need be, criticising the annual report submitted to it by the High Authority.

The discussion was exhaustive, ranging over a wide field and leading to a series of resolutions which you will find in the appendix to my report. There are too many of them for me to read them out or even comment on them, so I must content myself with a summary.

The main subjects treated with regard to the Common Market refer to the application of transitional provisions. The Assembly is happy to note that it has been possible to dispense with some of these provisions before the prescribed date. They were ahead of schedule. Other provisions are still being studied.

As for the operation of the Common Market, lack of agreement between the Governments created a difficult situation in the supplies of scrap-iron which, as you know, the Assembly deplored, but it expressed the hope that the new regulation on imported scrap-iron would reduce consumption.

Needless to say, the Assembly has paid particular attention to coal supplies.

But perhaps the most interesting debates from the point of view of the Assembly as such have been produced by the cartels problem. This problem, the urgency of which has not seldom been emphasized by the Assembly, is treated at length in the fourth General Report on the activity of the Community.

In November 1955 the High Authority explained to the Common Assembly how it intended to modify the so-called G.E.O.R.G. This was the most delicate and crucial point, if I may say so, in the whole discussion on cartels. You will doubtless remember the principles of the reform suggested or imposed by the High Authority; replace six selling agencies deriving from a joint office by three selling agencies to which a joint office would be subordinated. I am not going into the details of the controversy here, but I will explain the various atti-

tudes adopted by the political groups towards this fundamental problem.

The Socialists reproached the High Authority for not enforcing the Treaty. In their view the method proposed allowed no control and it would have been better first to eliminate the cartels and start from scratch, *tabula rasa*.

The Liberal view was that the dividing-line between the powers of the High Authority and the joint office was too vague; there is a risk that the latter would abuse its powers. Even more, it was feared that the High Authority's control would not be sufficient.

The Christian Democrats, while congratulating the High Authority on having broached the problem and achieved definite and practical results, wondered whether the *de facto* autonomy of the three groups was sufficiently assured. No resolution followed the discussion on cartels, but at the Session of June 1956 the Socialist Group declared that it could neither openly nor tacitly approve the High Authority's policy in the matter.

The two other groups considered that it would only be possible to judge of the transformation of cartels in the light of experience acquired after the new organs had been at work for some time.

To complete my summary I should add that a member of the Assembly, who belongs to none of the three groups, lately asked the High Authority a parliamentary question: couched in somewhat sharp terms, it referred to the outcry there would be in all the newspapers of Europe in favour of a new cartel to the effect that eight years after the former cartel had been broken up this new cartel had enabled an even more powerful producers' union to be formed again.

This member asked who had been misled in this matter. Was it the High Authority? In claiming that the new cartel complied with the letter and the spirit of the Treaty was the High Authority not misleading its customers?

I am only raising this point by way of example — to show you how this fundamental problem has held the attention of all the political groups in the Common Assembly and met with a somewhat varied reception.

I may also mention for your information that this parliamentary question is No. 36, which means that as many as thirty-six questions of this kind have been asked during the Session. This shows how much the practice of Members of the Common Assembly addressing questions to the High Authority has increased. The questions cover the most diverse subjects, and this is an increasingly clear and frequent example of the activity of the Common Assembly resembling that of national parliaments.

Turning to investments, the Common Assembly deplored the scant attention given in the High Authority's reports to their co-ordination.

The Assembly hoped that the High Authority would show greater boldness in the application of Article 54 of the Treaty, which provides for the obligatory declaration of investment programmes and authorizes the High Authority to give opinions accompanied by justifications. To meet the request of a large number of members of the Assembly these should be much more detailed and more precise.

Another thing: the High Authority was asked to publish a general picture of the technical research work now being pursued in the Community's industries. The hope was also expressed that a greater proportion of available revenue would be devoted to research.

The Common Market and Investments Committees considered it necessary that a debate should be held on general aims and on coal policy.

The Assembly unanimously regretted the High Authority's delay in determining a long-term coal and steel policy. It

pressed the High Authority to define this policy, as well as the chief aims, by October at the latest, which the High Authority has unhesitatingly agreed to do.

It also explained that the question had not been overlooked, but that this was a vast subject with a great deal of detail, requiring widespread consultations, which were proceeding at the time when the Assembly, so to speak, was spurring it on. The High Authority ended by saying that it would take a decision on the matter as soon as the consultations were over.

With regard to coal policy as a whole it should be pointed out — as has been done many times during the Common Assembly's discussions — that the question is going to arise whether the Community should protect its collieries by a policy of subsidies designed to lower prices, or by sliding-scales which would make it possible for Community coal to compete with imported coal and other sources of energy.

Here again, there was definite and interesting divergence of opinion among the various groups. The Socialists declared that a coal policy was inseparable from a policy of subsidies and asked the High Authority what attitude it proposed to adopt on this point.

Turning to transport the Assembly expressed satisfaction at the progress made, particularly as a result of the agreements concluded between Switzerland and the Community. Its President, M. Mayer, has just told us a little about this matter.

I may also mention, for your information, that during the discussion of the transport problem one member of the Assembly asked whether the High Authority had not given its attention to the proposed canalisation of the Moselle, which was of such importance from the European point of view.

The President replied that the High Authority was interested in this plan, which would improve transport competitive conditions. The High Authority had not, however, had the project put before it, and the terms of the Treaty gave

it no powers in this field ; it could therefore at present take no action.

One of the conclusions to be drawn from the Common Assembly's work is that social questions predominate. It cannot be doubted, and on all sides of the Assembly it is increasingly emphasised, that social questions should occupy a more important place in our discussions and in the whole of the High Authority's policy.

At the Assembly's request the High Authority also announced that in future reports it would endeavour to include a statement on all changes made in the social conditions of workers in the countries belonging to the Community.

After debate, the Assembly adopted a Resolution setting out the workers' claims concerning working hours and requesting that the study undertaken be applied to the whole of the Community's industries ; but, as I said at the beginning of this Report, the Assembly could only deplore the limitations imposed by the Treaty upon the High Authority's powers.

On the question of manpower, the Assembly noted a growing shortage of colliery staff and requested the High Authority to make every effort to improve miners' social and material conditions. The Assembly attaches, and has always attached, particular importance to the free movement of labour and deplores the Governments' slowness — this reproach was addressed to them alone — in conforming with Article 69 of the Treaty.

In view of the importance the Assembly attaches to technical education, it is satisfactory that the High Authority has announced the forthcoming creation of vocational training centres.

I should add, perhaps, that the Assembly returned to a subject particularly near to its heart, the improvement of colliery workers' housing and the adoption of an active and really effective housing policy.

It is scarcely necessary to tell you that the terrible disaster at Marcinelle occupied the attention of all the Assembly committees beyond the period covered by my Report as the disaster occurred after the close of the financial year.

On 22nd September the Committee on Social Affairs unanimously decided to request the Bureau to convene an Extraordinary Session of the Common Assembly on 19th or 22nd October to discuss the many and vast problems raised by this tragic disaster.

Owing to purely material difficulties over premises and staff it was impossible to hold the Extraordinary Session at the time desired, but it has been agreed that the subject should be discussed in public session at the first opportunity.

On 8th September a Member of the Assembly asked in a parliamentary question what was being done to discover the causes of the accident, apportion responsibility, and prevent the repetition of such a tragedy. On 3rd October the High Authority replied in a long memorandum the gist of which you have just heard from M. Mayer.

Incidentally, it can be said with complete impartiality that in its concern over the tragic results of the disaster the Assembly remained true to the views it has expressed since its inception. It was always pointed out in the most emphatic terms, as for instance in M. Birkelbach's report, the close connection between the accident rate and the standard of technical training.

This observation holds true for the mines, which skilled workers desert if they feel their safety endangered by too large a proportion of unskilled labour.

They have repeatedly drawn the attention of the competent authorities to the urgent need to re-examine the problem at close hand.

I have little to say with regard to so-called political matters which are particularly connected with external relat-

ions, since M. Mayer has explained in his report the state of the negotiations and the attitude of the Coal and Steel Community in its negotiations with non-member countries.

The Common Assembly could not fail to be satisfied with the results obtained. The only criticism made of the High Authority's report — and that a mere detail — was that the reference to relations with non-member countries was a little too brief; but, for the rest, the Assembly was delighted with the substantial success obtained, particularly in relations with Austria and Switzerland.

The Assembly also devoted much time to relations with Denmark. It wished to verify for itself whether the Community's export prices were really fair prices in accordance with the aim of the Treaty. As M. Mayer told you in his masterly statement, when the figures and statistics were checked, it emerged that, generally speaking, the Community's export prices had not risen more than those of other producers, decidedly the reverse; but I would only point out to Members of the Consultative Assembly, that members of the Common Assembly, especially those who sit on the Political Affairs and External Relations Committees, have insisted on personally checking the prices in order to be sure they were fair.

Ladies and Gentlemen, the Assembly discussed, at greater length, parliamentary relations between the Community and Great Britain. And I must admit that here it was really disillusioned and disappointed. The Common Assembly had asked the High Authority to suggest to the Council of Association that a joint parliamentary committee be set up, a purely advisory body, of course, composed of nine British M.P.s and nine members of the Common Assembly. You will realise straight away its object — to ensure and to extend collaboration at parliamentary level between Great Britain and the six countries of the Community and to increase public interest in the development of relations between the two groups of members, both in the Community countries and in Great Britain.

It was felt that the possibility of increasing collaboration between Great Britain and E.C.S.C. was to some extent limited by the fact that British Members of Parliament were not actively concerned in it.

Unfortunately, the proposal was not accepted. So it was that the President of the High Authority informed the competent Committee of the Common Assembly that the Council of Association had carefully examined the Resolution which I have just summarised for you: — that it viewed with satisfaction the interest shown by members of the Assembly in the work of the Council of Association, that it appreciated the contacts established with the Consultative Assembly of the Council of Europe at the joint meetings — such as we are holding at this moment — but, inasmuch as these valuable contacts were already established, the Council of Association could not agree to the formation of a new joint parliamentary committee as suggested in the Common Assembly's Resolution.

The Common Assembly and the competent committee regretted that their suggestion was not adopted. Of course, we cannot go on knocking at a door that has not been opened to us, but the Committee on Political Affairs has asked me to get in touch unofficially with the British members of the Consultative Assembly, in order to discuss the possibility of once more bringing up, perhaps in another form, the idea of parliamentary collaboration between our Community and Great Britain, thus complying with what are, I believe, in principle the general wishes of both our Assemblies.

I now come — I do not want to try your patience too hard — to the work of the Common Assembly in connection with the so-called “new drive for European integration”.

The Working Party set up by the Common Assembly managed to reach certain conclusions. With regard to establishing the general Common Market, for instance, the Assembly considered that it should be based on certain principles. They are as follows.

The Common Market should not be a mere free trade formula, but should represent a true customs union leading to an economic union. Needless to say, this does not mean that the Common Assembly would not be very pleased to see Great Britain, or any other State, join the Common Market in an indirect and limited manner through the free trade area to which M. Mayer has just referred.

The Assembly also thinks that in organising the Common Market it would be advisable widely to associate the economic organs with its institutions by creating, for example, an Economic and Social Council.

Furthermore, it believes that progressive harmonisation and co-ordination of a social policy, as well as of a financial, currency and fiscal policy are, or would be, indispensable.

Lastly, it considers that special measures would have to be taken to protect agriculture. Several speakers expressed very definite views on this at the Brussels session because, they said, the position of agriculture raises economic, social — in a way, moral — and national problems.

As for Euratom plans, though freedom of admission to the nuclear energy community and freedom of research were unanimously recognised, differences were apparent as regards the purely peaceful use of nuclear energy and the ownership of fuels.

With complete impartiality I may mention that the Socialist Group considered that only collective ownership would ensure effective control and prevent private enterprises from absorbing all the benefits of risks undertaken by the community. This group could not admit the use of nuclear energy for other than peaceful purposes.

On the other hand, the Christian Democrats and the Liberals consider that ownership of fuels should rest with the Community only to the extent that private appropriation renders a true control of nuclear materials impossible. To judge by the terms employed, this would not seem to exclude

the reserving of ownership to the Community or to a State or inter-state organ, should private control prove impossible.

The Christian Democrats and Liberals also emphasised that the organisation to be created should not be allowed to hamper "the constructive efforts" of private enterprise. These groups think the non-peaceful use of atomic energy impossible for the next few years, so that the question is not of immediate practical interest ; but it seems to them going too far, and, in certain respects, a dangerous move, to give up, without conditions or limits, the manufacture of weapons for mass-destruction, it being understood that such manufacture could not be on a purely national basis but must be the subject of a Community-wide agreement.

The Assembly did not express any definite views on the extent — I might say, the closeness — of the relationship desirable between the general Common Market and the atomic organisation, but in its Resolution of 11th May, 1956 it asked the Governments "to bear in mind the connection between the two projects by considering them simultaneously".

The Working Party set up by the Common Assembly hoped that in the new Communities proposed — the Common Market and the Euratom organisation — the assemblies concerned may be granted powers of initiative in general political affairs. It deplored the fact that no more than in E.C.S.C. does the Brussels project provide for the Council of Ministers being responsible towards the Assembly.

Provision is being made for enlarged representation in the assemblies of the new Communities, and it would therefore be desirable similarly to increase the numbers of the Common Assembly.

The Working Party favoured the participation of workers' trade unions in the new Communities, such participation to take the form of at least consultative representation.

I shall now say a few words on questions of particular interest to the Consultative Assembly of the Council of Europe, and by this I mean questions on which the Consul-

tative Assembly made suggestions or criticisms, or passed resolutions, during its debates last year.

Needless to say, the Common Assembly and its competent committees have examined with the greatest attention the concern to which the existence of E.C.S.C. has given rise in the minds of certain members of the Consultative Assembly, and also that body's suggestions made in its Resolution 92 of 1955.

This concern, I should mention, is more especially felt with regard to the fact that the Coal and Steel Community is open to all; the usefulness of joint meetings of the committee members of the two Assemblies; the study at a joint meeting of members of the Common Assembly and United Kingdom representatives of the Consultative Assembly of the Annual Report of the Council of Association; the position of the Common Assembly with regard to election of its members by universal suffrage; and, lastly, the commercial policy of E.C.S.C. and the price level of export steel.

So far as freedom of accession to the Community is concerned, the Consultative Assembly seemed to fear that the ECSC policy laid too strong emphasis on the idea that membership of other countries can be contemplated only if such countries accept the obligations imposed by the Treaty on the Members of the Community. In Resolution 92 you find these words:

“... we may wonder whether too much emphasis on the point, so far from encouraging member countries to join, will not rather deter them...”

I think I may say, on behalf of the Common Assembly that the Agreements recently concluded with Austria, the United States and Switzerland clearly show that these fears are unfounded. Reciprocity is, certainly, essential. No one envisages an association where a non-member State will take the lion's share by enjoying all the advantages of the Common Market without assuming any kind of obligation.

But the Common Assembly has never ceased to emphasise the need for close co-operation between E.C.S.C. and non-member countries nor to affirm that this co-operation may take the most varied and flexible forms depending on local or national circumstances.

An outstanding feature of the negotiations with Switzerland and Austria was the desire shown for flexibility in our relations among ourselves — the Community — and non-member countries.

When considering joint meetings of members of the committees of the two Assemblies, I think reference should be made to the provisions of Article 38 of the Rules of Procedure of the Common Assembly, which states that.

“members of the High Authority, of the Council of Ministers as well as any other person, may by the special decision of the Committee be invited to attend a meeting or to speak during it.”

That is to say, members of a corresponding committee of the Consultative Assembly could perfectly well be invited by the Chairman of the Committee of the Common Assembly to attend a meeting. If the Chairmen of the Consultative Assembly's Committees were to send an official request to this effect to their colleagues in the Common Assembly for the purpose of discussing problems of mutual interest, there is no doubt that the latter would make every effort to comply with it. But I should mention that no such request has so far been made, and therefore no complaint can be laid against the Common Assembly or its Committees.

I have replied in advance to the Consultative Assembly's concern over collaboration with representatives of Great Britain when I told you of the efforts made by our Committee on Political Affairs to set up an advisory committee composed of nine British M.P.s and nine members of the Common Assembly, and of the setback it has met with — we hope only temporarily.

It would appear, indeed, from the debates that the election by universal suffrage of representatives of the Common Assembly is a system that it would be best not to consider at the present time. On the one hand, public opinion is insufficiently acquainted with European problems, and on the other, there is increasing need for close liaison between the Common Assembly and national Parliaments. Such liaison is, of course, supplied by the fact that there are personal links between Members of Parliament who are also members of international assemblies.

The Common Assembly is well aware of the grave problems connected with the commercial policy of the Community and the price of export steel. I have had occasion — and likewise the President of the High Authority — to tell you that the Consultative Assembly's misgivings have been entirely allayed by the Common Assembly.

So far as the establishment of direct relations between the Common Assembly and the Council of Ministers is concerned you will remember that the Consultative Assembly thought it should state that its experience with the Committee of Ministers of the Council of Europe has not been altogether a happy one.

The Common Assembly itself is well aware that the Treaty deprives it of all power of control *vis-à-vis* the Council, but it feels it should place on record, in all objectivity, that Ministers have increasingly acquired the habit of attending Assembly debates as members of delegations, sometimes very large and even impressive delegations, and for ourselves we cannot complain of the way in which relations between the Assembly and the Council of Ministers have developed.

Those, Ladies and Gentlemen, are the main features of the Common Assembly's work and activities.

I think that if one tried to describe its development in a few words one might say that the Common Assembly has become more clearly, more realistically, aware of its rôle than at first. This is essentially to follow, control and, where

necessary, criticise constructively the action of the High Authority with regard to coal and steel.

On the whole — and this is really an interesting feature of the past year's debates — there is no doubt that, contrary to what might have been feared, the action of the High Authority has been considered, if anything, too timid. It is typical that, far from wishing to curb the High Authority in carrying out its mission and exercising its powers, the Assembly has a marked tendency to stimulate it and encourage it — I might almost say to spur it on — to make greater use than in the past of the power conferred upon it by the Treaty.

A second conclusion emerges from the Common Assembly's action. If the Treaty is not applied as fully as many could wish, and if progress towards European unity is slow, even in the sector covered by the Schuman Plan, the main reason for this slow-motion comes from the over-cautious attitude of the six Member Governments themselves.

It has been pointed out in the Common Assembly debates that there was something flagrantly contradictory in seeing the leaders of certain countries never miss an opportunity to proclaim the imperative necessity of extending and generalising the Common Market, but remain impassive and motionless when it came to putting the common coal and steel market wholly into effect, with all the consequences and effects resulting from such a step.

As one of the speakers in the Assembly remarked, the first duty of the Governments is not to undertake new obligations but to carry out binding obligations already undertaken.

Another conclusion which I think may be drawn from the activities of the Common Assembly as a whole is that, opposed as it is to anything savouring of autarky, it has given much thought to the relations of the Community with non-member States and has again emphatically expressed its

wish to open as widely as possible the doors of the Community to new members.

In conclusion, let me say this — I have already said a few words on this subject during my speech — diversity of political ideas among the groups within the Assembly has been brought out and become more accentuated. Reservations — frequently very clear-cut and precise — have been expressed with regard to certain aspects of the High Authority's policy. The Assembly has, nevertheless, generally speaking, expressed confidence in it in no uncertain terms.

That, Ladies and Gentlemen, is how I think the situation can be summed up and, as my last word, I am tempted to refer again to the allusion to the stars made by the Chair in appropriately imaginative, uplifting language. Several times the Chairman said we should keep our eyes fixed on the stars, perhaps he had in mind the words of the philosopher — “hitch your waggon to a star”.

I feel that the Common Assembly has succeeded in hitching its waggon to a star, in the sense that it has the ever-broadening European ideal always present before its eyes and in its thoughts, but that it has also succeeded in keeping its feet solidly on the ground and accomplishing its work in a practical, effective and efficient manner.

I think that in the last analysis it is by combining the idealism which must continue to impregnate work, if it is to be inspiring and impressive, with the realism which allows us to avoid the purely academic and theoretical, that it is by combining the ideal with the real that the Common Assembly has found the right path, and I am convinced that it will follow it with increasing enthusiasm and a determination to serve the interests of democracy and of Europe. (*Applause.*)

The Chairman. — (*F'*) I wish to thank M. Struye for his speech. Once more he has made a noteworthy contribution to our work.

I should now call the Consultative Assembly's Rapporteur, but, as we previously decided to adjourn the Sitting after M. Struye had spoken, the Assembly will no doubt agree to postpone the remainder of this discussion until 3.30 p.m. (*Agreed.*)

6. *Announcement by the Chairman*

The Chairman. — (*F*) Would the President of the High Authority and the Chairmen of the Common Assembly's Groups and Committees please meet in Room 401.

Does anyone else wish to speak ?

The Sitting is suspended.

The Sitting was suspended at 12.40 p.m. and resumed at 3.40 p.m. with M. Dehousse, President of the Consultative Assembly of the Council of Europe, in the Chair.

IN THE CHAIR : M. DEHOUSSE
President of the Consultative Assembly

The Chairman. — (*F*) The Sitting is resumed.

7. Apologies for absence

The Chairman. — (*F*) M. Margue has expressed regret that he will be unable to attend the resumed Sitting.

*8. Exchange of views
between members of the Consultative Assembly
and members of the Common Assembly*

The Chairman. — (*F*) The next item in our Orders of the Day is an exchange of views between members of the Consultative Assembly and members of the Common Assembly.

I now call M. De Geer, Rapporteur of the Committee on Economic Questions of the Consultative Assembly.

M. De Geer (Sweden). — It is an old-established tradition that annually the High Authority of the European Coal and Steel Community submits a General Report on its activities to the Consultative Assembly as well as to the Common Assembly, and that this Report is debated in a Joint Meeting of our two Assemblies. Today we have before us the Fourth General Report covering the period from April, 1955, to April, 1956, and again it is a voluminous document contain-

ing much valuable information for which we may indeed be grateful to the High Authority.

I wish to pay tribute once more to the excellent arrangement by which members of the Committee on Economic Questions are regularly invited once a year by the High Authority to come to Luxembourg and to discuss with its members the economic problems of the day which affect the Common Market for coal and steel. This year the meeting took place on October 12th, and I think that the large number of members of the Committee on Economic Questions who assisted at that meeting in itself proves how valuable the Consultative Assembly considers this arrangement to be.

I believe, therefore, that I am voicing the gratitude of the whole Assembly in thanking M. Mayer and his eminent colleagues, MM. Daum, Spierenburg and Potthoff, for the opportunity they gave us for that very valuable exchange of views.

I shall again follow last year's pattern by restricting my intervention to a running commentary on the reply to the High Authority's Report which I shall have the honour to present to the Consultative Assembly on Wednesday next.

Paragraph 1 of the draft Resolution serves mainly as a reminder that the approach of the Consultative Assembly in reviewing the activities of E.C.S.C. is to give particular attention to their effects on member countries of the Council of Europe outside the Community.

In paragraph 2 the Assembly notes with satisfaction the progress which has been made in the past year to substitute the use of pig iron for that of scrap in steel works. It might be interesting to add that the High Authority, in answering our questions in Luxembourg, clearly stated that a future rise of steel production will depend very largely on an increased consumption of pig iron.

In our discussions with the High Authority, it became evident that although coal can be replaced, at least in the

long run, by other sources of energy in some fields, coal will remain indispensable for the production of pig iron. Of course, nobody can be certain in our time of fast development, but I do not think there are any experts who really believe that we can replace coke as an element for reducing the oxygen out of iron ore.

The Assembly is therefore very concerned as to the future development of coal and coke production. In the Fourth Report, giving figures for 1955, it is observed that whereas pig iron production rose by 24 per cent and steel production by 26 per cent hard coal production rose by only 2 per cent and coke by 15 per cent. This evidently must cause concern, even if the coke continues to be somewhat more adequately supplied than coal.

The reserves of proper coking coal are rather limited. Unfortunately, also, as we learned in our discussions with the members of the High Authority, hardly any progress was made last year in the development of new coking processes whereby other qualities of coal could be used for producing metallurgical coke. The present coal shortage might therefore very quickly develop into a coke shortage as well. On this occasion I may point out that I think it is a waste to use coke — precious coke — for heating purposes if it can be replaced by coal and, still better, by oil.

While we have come to the conclusion that there is no discrimination at present as between coal and coke consumers inside and outside the Community with regard to quantities, it must be realised that a tighter supply situation will make it increasingly difficult to continue this policy. The Assembly therefore urges the High Authority to use all its endeavours so as to increase the volume of investments in the coal industry. These may be short-term investments, especially labour-saving rationalisation or long-term investments such as the opening up of new pits. It is an extremely alarming sign indeed that investments in the coal industry dropped from 1.76 dollars per ton extracted in 1954 to 1.61 dollars per ton extracted in 1955, and it is to be noted that this development was practically the same in all member countries.

Admittedly the opening up of new pits is an undertaking which does not give results within many years and it cannot perhaps be expected, therefore, to be undertaken by single firms. None the less, ways and means must be found. Thus, it might be worth exploring further the ideas developed by the late M. Maroger in his last speech before the Common Assembly in May, 1956, in which he drew the attention of the High Authority to the possibility of opening up new pits as a joint enterprise by the Community's coal and steel firms.

Passing to paragraph 4 of the Draft Resolution, the Assembly takes note of the wider application of international through-rates in coal and steel transport. This is a considerable step towards a common European railway tariff, since coal, steel and scrap constitute a substantial share of the cargo traffic of the European railways. The Assembly welcomes particularly that transport of coal and steel products between countries outside the Community benefits from through-rates when passing through the Community. The inclusion of Switzerland in this system has already been successful and it is to be hoped that the High Authority's negotiations with Austria will lead to the same results.

Paragraph 5 of the Draft Resolution refers to the Agreement of Association between the United Kingdom and the Community. You will remember that the Assembly welcomed this Agreement last year. Unfortunately, the results of the first year of co-operation are not sufficiently well known to warrant any considered opinion. It is to be hoped that there will be more tangible progress in the future, although it is possibly unrealistic to expect speedy and spectacular results. The negotiations within the Community concerning customs tariffs, which, under the Treaty, will have to take place shortly with a view to establishing a common tariff, would appear to provide an excellent opportunity, especially as regards steel, for the establishment of a mutually satisfactory tariff agreement in this field with the United Kingdom. It may be added that the United Kingdom and the Community are still engaged in tariff negotiations within the framework of G.A.T.T.

From some quarters we have heard disappointment expressed of the slow progress between the United Kingdom and the Community, and M. Struye, in his speech before luncheon, also touched on this problem. But the British are cautious, and we understand them. The chief point is that everybody concerned is convinced that sooner or later results, and perhaps good results, will come out of the negotiations.

In paragraph 6 of the Draft Resolution, the Assembly recognises that the establishment of a Common Market for coal and steel implies closer economic relations between the countries concerned, and expresses a hope that the relations with non-member countries will not be weakened, and that such countries will not suffer unreasonably from shortages in the Common Market. As I pointed out before, there appears to be no discrimination against countries with regard to quantities. On the other hand, it cannot be denied that there is some difference of treatment — or, should I say, discrimination — against non-member countries in regard to prices.

In paragraph 7 the Assembly asks that this question should be followed closely in order to avoid a progressively widening gap between the internal and external prices of coal and steel. This is all the more serious in view of the fact that coal and steel prices have been steadily rising under the impact of continued strong pressure of demand. However, the Committee has come to the conclusion that in the present economic situation a moderate rise in prices can hardly be avoided. It would be a good thing if consumers realised that the rise in coal prices and the high prices which European countries must pay in terms of foreign currency for imports of coal from overseas are at least partly a symptom of the investment needs of the coal industry, and that any expectation of a reversal of this trend will be disappointed unless these investments are stepped up. Once again, I may record the necessity to try to replace the precious coke with other fuels.

Summing up this brief review, I should like to stress that, despite some criticism, the Assembly has reason to con-

gratulate the High Authority on the progress made by the Coal and Steel Community from year to year. As the transitional period draws near its end, it must be recognised that no insuperable difficulties have been encountered in establishing the Common Market for coal and steel, and such difficulties as have arisen have done so mainly where the requirements of such a Common Market came into conflict with the national interests in unintegrated parts of the economy. I will finish by pointing out that this is an encouraging lesson today when we are facing the decision to establish a general Common Market.

The Chairman. — (*F*) Thank you, M. De Geer.

Before asking Mr. Edwards to speak I must announce that the following speakers now appear on my list : Mr. Hay, M. Pünder, M. Wistrand, M. Gozard, M. Furler, M. Federpiel, M. Radius, M. Moutet, M. Czernetz, Mr. Jenkins and M. Stürghk.

Would any other members of either Assembly who wish to speak please register their names not later than 4.30 p.m. with M. Schloesser, Clerk of the Consultative Assembly.

I now call Mr. John Edwards, former Minister and now Vice-Chairman of the Committee on General Affairs of the Consultative Assembly.

Mr. Edwards (United Kingdom). — Mr. President, the opening ceremony in which we took part this morning must have moved us all very profoundly. Certainly those of us who were in Britain at the time of the Marcinelle disaster followed the hopes and fears of all those involved with more than mere interest. We felt that our national boundaries were transcended. It is in times like this that, however fleetingly, we are conscious of our common humanity and perhaps, in however small a way, we attain the heights of the Choral Symphony of Beethoven and feel that all men are brothers. It is upon occasions like this that, if we use the occasion aright, our will and resolution are strengthened. I use the words of the psalmist, who talks of those :

“Who going through the vale of misery use it for a well,
and the pools are filled with water.”

Therefore, I would put my remarks alongside all that has been said. I would also join my colleague from the Committee on Economic Questions in expressing our cordial thanks to the President of the High Authority and the other members for their presence here today, and the Chairman for his speech — and also M. Struye, the Rapporteur from the Common Assembly, who, when he puts on his other hat, is my colleague, co-Vice-Chairman of the Committee on General Affairs of the Consultative Assembly.

I am sure that we listened with very great interest to what they both had to say. My first reaction was to think how surprisingly different the scene appears, depending upon the standpoint from which one looks at it, and how different was the statement that the President of the High Authority gave us from the impression that M. Struye left with us. This is only to be expected, for the head of an executive instrument is never likely to be preoccupied with precisely the same concerns as the person who is a political member of a parliamentary assembly.

I must admit that today I feel a little inhibited, for I am British and a Socialist, and only this morning I was asked by M. de Menthon to take the place of M. Maris, who is a Greek, and to speak for the Committee on General Affairs, which is not an easy matter if, as I suppose, it is my duty to speak only of the things upon which all the members of the Committee are agreed. If, however, at any moment my Socialist bias or British prejudices obtrude, you will, I know, forgive me. I am not yet a sufficiently good European, although I aspire to be such a one, as to be able to conceal my political opinions or my national identity.

I shall be highly selective. I shall pick and choose, because I think (and my colleagues agree with me about this) that we often spread ourselves far too widely and lose ourselves in a multitude of topics.

Of the importance of the relationship of international Parliamentary Assemblies to national Parliaments, I think we in the Consultative Assembly are very well aware. We recognise from the Report that precisely the same problems as confront us in the Consultative Assembly are found in the Common Assembly, and it seems to us that perhaps this is the kind of matter upon which we might profitably put our heads together, always supposing that we can find a legitimate way of doing so. It is surprising how many institutional and formal obstacles appear the moment men of good will want to put their heads together, but, assuming that we can find a way of doing it, I think that this matter of the relationship of the Assemblies to national Parliaments with which, in the Consultative Assembly, we are now preoccupied, could well be a matter of joint discussion between us.

However that may be, we have to recognise that we are the servants of our constituents and that we must bend our energies to instructing them and showing them the importance of our work. The truth is that almost all our constituents are lamentably ignorant of our work. Indeed, it is a somewhat depressing thought that nothing excites popular interest so much as a fight. If the work of the House of Commons, which is almost always pedestrian and humdrum, can be presented to popular opinion as a series of gladiatorial fights between its leading Members, then public interest is aroused.

That is why I was very pleased indeed to find in M. Struye's Report a reference to a declaration that had been made by the Socialist Group in June last. It would be wrong of me to express a view on the substance of this Motion; I merely refer to my pleasure at the fact that it was made. Political controversy, as I have indicated, is one way by which we can get public interest in our work.

Perhaps I may digress for a moment here to say that I was interested to find that the other two groups in the Assembly have joined together in expressing their confidence in the High Authority's action. I will not comment on that,

except to say that I wonder whether there is a trend towards a two-party system, which would meet with my commendation. Here we are trying, under your leadership, Mr. President, to bring new life to political groups. We are beginning to have meetings not for the purpose of deciding on nominations for a post, but as a clearing-house for ideas and for the sorting out of differences of opinion which I think will help the work of the Assembly and, I trust, will make easier the work of our President.

All those in the Consultative Assembly, and my colleagues in the Committee on General Affairs, were glad to see what we thought was a steady development in the evolution of political policy in the Assembly. We are interested in many matters. I can deal only with a few of them today. My colleague has already referred to many economic matters. We are also interested in social questions. I was interested in what the President of the High Authority had to say today on this side of the question, particularly about the working conditions of those in the industries covered by the Community. We look forward to hearing much more in future about developments of this kind.

Last year, M. Wistrand, when making a speech on a similar occasion, was somewhat critical of the High Authority or, if you like, the Community. In my view, those criticisms have now been more than met, and I feel that in our relationship we have already made considerable progress. I should like to express my thanks to the President for what he said about the relationship with the United Kingdom — and here I speak not as a British Representative but purely for my Committee. In the Report which M. Maris will present to the Consultative Assembly next week, there is a reference to the reply given to the First and Second Reports of the High Authority, and it reads :

“It would be in keeping with the spirit of the Eden Plan if these relationships were organised on the basis provided by the Consultative Assembly, that is, by the British Representatives in the Consultative Assembly

meeting together with the Common Assembly in a sort of sub-committee of the Joint Meeting.”

I will not elaborate on that now, except to say that the Consultative Assembly would be very glad indeed to have the Common Assembly's further reaction to this statement. I shall not do more today than refer in passing to two tasks that are coming about, the establishment of Euratom and the Common Market, and all that flows out of it, except to say that, here again, it would be the hope of my colleagues and myself that we shall find ways of putting our heads together and discussing matters of interest to us all.

It would seem to me that Europe is once again on the march. We are beginning to recover from the failure of nerve that beset us when the proposal for a European Defence Community collapsed and plans for a European Political Community were frustrated. We are beginning to gather strength. The Assembly of Western European Union is now functioning. We have under consideration at present many proposals that would bring us closer together. We need, in these circumstances, to call on the experience of both the High Authority and the Common Assembly.

I use the word “experience” and not “example” because it is important that we should learn from what the Common Assembly has done, not only what to do but what not to do, and I am sure that I am speaking for my colleagues in the Consultative Assembly when I ask that the fullest co-operation should be given to us in these many matters, on which we do need so much help.

I conclude by saying, in the name of the Committee on General Affairs and all my colleagues in the Consultative Assembly, that we rejoice that the Coal and Steel Community is in such good heart and mind, that we share, however vicariously, in its successes, and that our good will is with it in its future endeavours and we shall look forward to even more effective co-operation in the future.

The Chairman. — (*F*) I call M. Pünder.

M. Pünder (*Federal Republic of Germany*). — (G) Mr. Chairman, Ladies and Gentlemen, in the course of the week now coming to an end — and indeed up to 2 o'clock this morning — the Consultative Assembly of the Council of Europe has been debating here an almost disconcerting number of highly important political problems. The purpose of today's debate, however, is altogether different. Two Assemblies have gathered together to deal with a single problem, but one of special importance, namely, the work of E.C.S.C. and its co-operation with other European bodies, in particular the Council of Europe.

That, no doubt, is what M. Dehousse meant when, at his recent press conference, he said, as I recalled two days ago, that the major event of October would be "Strasbourg Week". Today's debate, therefore, may be said to be a part of that "Week".

I must say we have been remarkably well supplied with documentary material for this discussion: the report which M. Mayer read to us this morning and of which we now have the text, together with the Document numbered 523 and the detailed report which M. Struye introduced with suggestions in the latter part of the morning.

In my opinion, Document 523 is a fitting companion to two other reports, those of my neighbour M. Poher and M. Motz, the Belgian Senator, which it was a pleasure to read and hear presented, and which left an excellent impression.

Although this documentary material concerns only the Community and its manifold problems, it naturally has a bearing on a large number of other questions. In my few remarks I could scarcely hope to deal even briefly with all these matters and I have no intention of doing so.

First and foremost, Mr. Chairman, like the previous speaker, I would like to say how we appreciated what M. René Mayer and M. Struye said this morning. They emphasises that the debates on the Marcinelle disaster, which was refer-

ed to in such moving terms this morning, are of the most vital importance and that the Community will lose no time in dealing with the problems raised by the occurrence of a disaster of this magnitude.

I now have a few words to say on certain questions of a more political character which cannot help but suggest themselves to a thoughtful observer.

Exactly a week ago, almost to the hour, the Assembly of Western European Union was holding its final sitting here. What a striking difference of structure there is between W.E.U. and our Community! I need not dwell on the great disparity in competence between those two virtual parliaments, namely the Common Assembly of E.C.S.C. and the WEU Assembly. The most outstanding difference, of course, is that the Coal and Steel Community has real executive power vested in the High Authority whereas W.E.U., as we were sorry to see last week, has only a somewhat vague form of co-operation between seven Ministers who consider themselves responsible only to the Governments and Parliaments of their countries. The Chairman of the WEU Council of Ministers, M. Beyen, who has, since then, ceased to be the Netherlands Minister for Foreign Affairs, spoke frankly last week in what may be called his swan song. He put his finger on the weakness of the WEU Council of Ministers, namely its lack of executive power. And in the WEU Assembly there were speakers who suggested that this body resembled the Wailing Wall.

But with the Coal and Steel Community it is an entirely different matter; it possesses real executive power which is in the hands of the High Authority. A few days ago we were very pleased to hear that M. Benvenuti, the Rapporteur of the Committee on General Affairs, had emphasised in the Consultative Assembly how necessary it was to have a European executive organ — and that his views were endorsed by M. Martino, Chairman of the Committee of Ministers of the Council of Europe and Italian Minister for Foreign Affairs. I was thus extremely gratified this morning to hear M. Meyer echo M. Benvenuti's words when he said that "a

joint executive with funds of its own is the *sine qua non* in any attempt to overcome the inertia of co-existing sovereign authorities and the anxiety to maintain vested interests”.

I share this opinion and am glad to know, in particular, that M. Struye, who until recently was rather sceptical on this subject, has now come round to this view.

If W.E.U. and the European Coal and Steel Community are weighed one against the other, the latter can of course be criticised for having only six Members, whereas the former has seven. But this is only a nominal defect as anyone who took part in the WEU debates last week must surely have realised. It was by no means our impression that Britain was a particularly enthusiastic supporter of a constructive development of W.E.U. Mr. Edwards, who spoke in his capacity as Vice-Chairman of his Committee, put the matter very neatly when he said that he and his fellow-countrymen were finding the process of gradually turning themselves into real Europeans a very difficult one.

Also with regard to this nominal defect, it must be remembered that the United Kingdom does not stand altogether aside from the Coal and Steel Community, but is associated in a rather special way. I shall not dwell on these political questions since my friend M. Furler will be dealing with them as Chairman of the relevant Committee.

I am not a member of that Committee and I was very interested in the account given today by M. Mayer of the present position as regards co-operation between the European Coal and Steel Community and the United Kingdom. We all realised at the time when the Treaty of Association was concluded that in substance it did not amount to very much. But, clearly, the pessimists who regarded it from the start as still-born were wrong. Quite apart from the material content of the agreement, the recognition by the United Kingdom of the Community's importance and of the need to co-operate with it is in my opinion a tangible and significant political factor.

The more reason is there for deploring what M. Struye has told us today, that the Council of Association has rejected the Assembly's judicious proposal to set up a joint parliamentary commission of nine representatives from each side. Like M. Struye, I hope this is no more than a temporary setback. We wish every success to his further efforts in this direction.

While on this subject I should like to say a few words about M. Mayer's interesting reference to the conclusion of a consultation agreement with Switzerland at the beginning of last May. We were very pleased to learn that negotiations begun a few weeks ago with a similar object between the High Authority and Austria seemed to be proceeding satisfactorily.

I was also glad to hear M. Mayer express his best wishes to the Council of Europe on the occasion of Austria's accession as the fifteenth Member State of our Organisation. Here he struck a responsive chord, for we are all delighted to see that country, which lies in the very heart of Europe, become one of us.

M. Mayer told us this morning that he hoped he had made it clear to us that (I am quoting his actual words) the community "is today an increasingly vigorous economic entity and that it is the centre of an industrial activity which is still vital to the rest of the world"; in this I think he has fully succeeded.

But he was quite right also to mention the darker side of the picture, which cannot be ignored. Of course, Mr. Chairman, we are all familiar with the preparatory work that is going on with a view to European integration. We know what has been done at Messina, Venice and Brussels to bring about a general common market, a European customs union, Euratom, and so on...

I shall not deal exhaustively with all these topics today; besides we shall come back to them next week, since they are on the Agenda of the Consultative Assembly. Moreover, as I

have already said, I believe that M. Furler, who is a member of my political group, will also have something to say on these matters.

I shall merely refer to the excellent work now being done at governmental level. The Ministers of the six countries are meeting this very day to put the finishing touches to the treaty. If they are successful, it will be necessary, in any circumstances, to make use of existing bodies and to refrain from setting up any more European parliaments. The Assembly of the Coal and Steel Community seems eminently fitted for this rôle, at any rate far more so than the Assembly of W.E.U., judging by the latter's performance last week. Furthermore, I, too, was very pleased to hear M. Mayer's comments this morning on the highly interesting suggestions made by a prominent British personality on the subject of European integration.

The Council of Europe, with its Consultative Assembly, must remain what it has always been, Europe's political stock exchange, so to speak. This fact has been clearly brought out by the important debates which have been held here these last few days and next week's debates will serve to confirm it. For instance, the Consultative Assembly will shortly hold a debate on the Report of O.E.E.C. Already, at the time of the Marshall Plan the Assembly had developed the commendable habit of serving as a parliamentary forum. And the Coal and Steel Community itself is the brain-child of the Council of Europe.

It would be unwise to attempt to widen the competence of the Consultative Assembly. I know, Mr. Chairman, that you share this view. We should, however, take every step to make the fullest use of our powers as they stand. In this spirit, we have noted with satisfaction the President's report on the development of co-operation with national parliaments. We wish him every success in this task.

We are all striving to bring about a united and peaceful Europe. I was pleased to hear Mr. Edwards' remark that Europe was about to make a fresh start. But then, there are

more ways than one of building Europe. No one step is by itself enough, yet none is wasted.

I believe it is a good thing for the two European parliaments to meet together as they have done today. Such meetings help to strengthen the European structure. We must see to it that they become a regular practice.

The Chairman. — (*F*) The list of speakers at present reads as follows: Mr. Hay, M. Wistrand, Mr. Jenkins, MM. Stürgh, Furler, Federspiel, Gozard, Radius, Moutet, Czernetz and Wehner.

Does anyone else wish to add his name?

In that case, with your approval, I shall declare the list of speakers closed.

I need hardly say that M. René Mayer, President of the High Authority, reserves the right to reply at the end of the General Debate.

I call M. Wistrand.

M. Wistrand (Sweden). — (*F*) Mr. President, I should like to touch on a rather special matter. As you know, a great number of foreign workers are now employed in the Coal and Steel Community countries. There are about a million Polish workers alone, and Italian and other foreign workers are also very numerous.

Even though a number of these foreign workers have been naturalised in the country where they work, by force of circumstances the majority congregate in their own separate districts and so, rightly or wrongly, come to feel out of touch with their environment, neglected or homesick.

I am convinced that this problem is one which the High Authority cannot afford to ignore. I would therefore ask the President of the High Authority whether the European Coal and Steel Community has studied it and, if so, whether it

has thought how it could provide the special care needed by those whose work takes them away from their home country. These people would respond very readily and be most grateful for such attention.

The Chairman. — I call Mr. Jenkins.

Mr. Jenkins. (United Kingdom). — Speaking as a British Labour Representative, like my colleague Mr. Edwards, but, unlike him, without the responsibility on this occasion of being a Rapporteur and having to express the views of a Committee rather than my own political or national views, I should like also to welcome the Report which we have had of the progress of the Community over the past year. I welcome particularly the present signs, to the satisfaction of both parties, of closer relations developing between the United Kingdom and the Coal and Steel Community.

Certainly, speaking for my own part, if it is thought that the development of a Parliamentary link, whatever the exact form it would be most desirable for it to take, would help this closer liaison, I would in no way be opposed to such a development. I think it is inevitable that we in the United Kingdom should be more interested in the working of the Coal and Steel Community at the present time than perhaps we have been in previous years. This is clearly because of the development of the project of the European General Common Market, and because of the very widespread desire in the United Kingdom that we should be associated with this Common Market in the closest possible way that is compatible with our other commitments, and therefore our desire to see exactly how the Common Market in coal and steel, which is the only common market that exists at the present time, has in fact been working.

All I want to do in the course of a very brief intervention is to pose to M. René Mayer some questions about the economic working of the Community. I am sure he will understand that I do not pose these questions from outside

the Community in any hostile way at all, but merely because we should like to have more information, particularly, as I say, in view of our new interest in the working of the Common Market. This is because of our desire and our belief that we can be associated in the future with the same general Common Market which we are now contemplating.

The first of these questions which I should like to ask M. Mayer is about the investment policy of the Coal and Steel Community. In reading the Report I think we shall all welcome the fact that the development in Italy, the most underdeveloped of the six countries, has been more rapid than the general level of development. That is, clearly, a very desirable thing to happen. I do not know to what extent the High Authority could say that that was because of a conscious policy which it has pursued in directing investment, or whether it was something which has been brought about merely by economic forces or by the particular action of the Italian Government. Has the High Authority been pursuing a conscious policy in the direction of investment in this respect? Has what has been happening in Italy been what the Authority could legitimately regard as an achievement?

Turning to more general investment policy and the view about the size of the coal needs of Europe in the future, I do not know whether M. Mayer would be able to tell us anything further or to give us his view on how far consideration has been going on within the High Authority as to the extent to which the need for coal will continue to grow independently of any atomic development which there may be.

Certainly, in the United Kingdom in recent years we have come to take the view that, however fast our atomic developments are — and we hope they will be very fast indeed: they will in no way diminish our need for classical energy. Over a period as far as one can see, one will need to expand the coal industry as fast as possible. I should be grateful for any information which M. René Mayer could give us on how this problem is viewed from within the Community.

I should like now, if I may, to ask him perhaps a rather delicate question about coal pricing policy. I think it would be accepted by everybody that throughout the Coal and Steel Community conditions do not exist in which the price of coal could possibly be determined by the free play of market forces. Conditions do not exist in the coal industry in which we could have a purely competitive price determined by purely competitive forces. I should like to ask him whether the High Authority is considering the possibility of taking a more direct responsibility than is, as I understand it, at present the case, for the determination of coal prices, which are naturally a matter of concern not only to countries within the Community but also to countries outside it. If M. Mayer could give us some indication of how his mind and the minds of his colleagues are moving on these issues, I think it would be of help.

I do not wish to take up more time but merely to conclude as I began by saying that we in the United Kingdom greatly welcome the progress of the Community and greatly welcome the indications of closer and more successful association between our country and the countries composing the Community.

The Chairman. — (*F*) Thank you, Mr. Jenkins. I now call M. Stürgkh.

M. Stürgkh (Austria). — (*G*) Mr. Chairman, Ladies and Gentlemen, allow me as an old-time observer and new member of this Assembly to say a few words on this subject. I have found M. Mayer's Report of exceptional interest. I would like, first of all, to thank him for the kind reference he made in his Report to the presence of an Austrian Delegation. In doing so I take pleasure in recalling and bringing to your attention the fact that M. Mayer had to deal with the Austrian question after both the world wars, after the first war as a distinguished lawyer and after the second as a politician. So I know that M. Mayer's very sympathetic understanding of Austrian affairs will increase and strengthen his understand-

ing of the problems of European integration with which Austria is now faced.

If I may be allowed to sketch briefly the present relations between my country and the Coal and Steel Community, I can state that two important agreements have been reached: one is the Customs Agreement and the other the Agreement on Prices. A third, the Transport and Freight-rates Agreement to which M. Mayer referred in his Report, is at present under discussion, and I have every reason to suppose that a satisfactory solution will be reached.

We are somewhat disturbed over the supply of industrial coal, which we have to draw to a considerable extent from the U.S.A. In this matter, M. Mayer, I should like to request, on the basis of Article 3 of the Coal and Steel Community Treaty that you kindly give us your further moral support. When you remarked, M. Mayer, that all roads lead to Luxembourg, that would seem to be very true; we, too, wish to take this road. We have already got as far as Strasbourg, and the distance from Strasbourg to Luxembourg is not great.

The Chairman. — (F) Thank you, M. Stürgkh. I now call M. Furler.

M. Furler (Federal Republic of Germany). — (G) Mr. Chairman, Ladies and Gentlemen, the Report by the President of the High Authority dealt almost exclusively with the external relations of the Community. One new important point that came out was, however, the strong support given to the ideas that have been developed in our Community for further developments suggested in this Assembly.

In all the comments I shall be making on the external relations of the Community I shall have in mind the great aim of a broader Community, of an extensive Common Market. We in the Common Assembly can say that our external relations, which, of course, are handled by the High Authority, are always very thoroughly debated and discussed. I can say on behalf of the Political Committee that the Assembly's

work with the High Authority in this field has always, despite frequent rather lively debates, been positive, stimulating and satisfactory.

And now to turn to something of the greatest importance for the future, the Association Agreement with Great Britain. We should not forget that this Agreement at first appeared to be of a formal nature, but that it came into being at the moment of a very difficult situation in the exchange of coal between our Community and Great Britain. As you have heard, Great Britain wanted to reduce the export of coal to the Community in 1956 to 1,3 million tons, and that this quantity, in the spirit of the Agreement, was raised to 3 million tons. That, in the present coal situation, is a very important event. We must note, too, that the position had been complicated by England's sudden entry into our market as a large-scale buyer. In the last year her purchases amounted, as the Report shows, to 4,5 million tons. This sudden development was also coped with in the spirit of the Agreement, and we were spared the friction which might have arisen, had there been no Association in existence.

We in the Common Assembly were of the opinion that it would help the development of the Association if there were, in addition, a Parliamentary Committee. Unfortunately, nothing has yet come of this idea; but, since we are convinced, on the strength of our parliamentary conceptions, that the idea is a good one, we shall continue to pursue it. I noted with great satisfaction that Mr. Edwards made certain observations which can be considered a very useful starting-point for further discussion — though not yet for a final plan. They envisage the creation of such a link between the delegates in the Council of Europe and ourselves, and that is a conception not very far removed from the ideas we have put forward.

For the shaping of our relations with non-member countries, even if one day we have the Common Market, it is of great importance that the Consultation Agreement with Switzerland has been settled and that there are prospects of

similar negotiations with Austria. I should like to point out to you, as you may not have followed the matter very closely, that here, too, the High Authority and the Community have been very liberal and broadminded. This Consultation Agreement is on a footing of equality; but it is obvious that our neighbour Switzerland gains greater advantages than the Community from such consultation, for, if ever there were shortages or the like, Switzerland's position in relation to us would be very different indeed from our position in relation to Switzerland. Here, too, we see a generous-minded handling of external policy that can be termed exemplary.

I was delighted just now to hear, while we are in the midst of negotiations with Austria, our friend Count Stürgh speaking words which entirely echo my own feelings. They indicate that we are, in fact, already on the road to a closer Community. I would put it this way — that the Community is in each case giving its external relations an individual but concrete form and that we can in practice reach agreements with Austria which go considerably beyond what we have attained in the Consultation Agreement with Switzerland.

In view of the aims of the Community I should like to direct your attention once again to the two Customs Agreements. These refute the fears which many have entertained about the Community, fears that it would pursue a policy of autarky, that it would use the possibilities of a common customs barrier to force up prices in some particular sector. That has not happened. In both Agreements there has been lowering of tariffs. That, too, is a picture of what can be expected for the future.

I should like now to speak briefly of the important projects that have emerged from the resolutions of our Assembly at a time of severe political depression in Europe: the projects of Euratom and the Common Market. These projects have, as I should like to point out to Mr. Edwards, benefitted very considerably from the existence of the Coal and Steel Community, from its experience and example. M. Mayer's Report today was one long argument that goes

to prove this: not only has the Community learned to cope with the tasks before it, but also this experiment has shown that the further aim of expanding the Community to all products is perfectly capable of realisation; it also shows that when this objective has been attained it will be possible to establish practical relations with non-member countries which need not be looked at with anxiety but with hope and with the faith that we can one day attain an organic structure for the economic relations within our continent.

I need not repeat the figures which have been put forward to demonstrate the successes of the Community. I should, however, like to say that in a period of very considerable boom the exchange of iron and steel products, in particular, has risen considerably within the Community. That is by no means a matter of course. Economic history shows us that in other periods of prosperity such a phenomenon was not so marked. Normally there is a tendency, when business improves in any given country, to rush, first of all, for the home products. The Common Market has in fact produced quite a new development, has produced results which will assuredly also occur again when we take all products into one big common market.

It is of the greatest importance that we have succeeded in the Common Market, and I am sure entirely thanks to the Common Market, in keeping prices stable, particularly the prices of the very important products of iron and steel. It is quite astonishing that the price-level for these has shown more stability than in respect of articles not covered by the Common Market. There is no doubt that this Common Market, limited though it still is, has in the present boom prevented a number of dislocations both in price and supply. Its influence, assayed during the boom has, as we expected, been steady — and therefore beneficial.

I have already spoken of the impetus that has been given by our Common Assembly and by the projects which you know about — Euratom and Customs Union with a general Common Market. Here, too, I should like to say a word

on the development of these things. We have found that in negotiations between the Six the spirit of community has had more and more success in overcoming disagreements. In a number of problems that cropped up agreement in principle was reached. I have in mind social questions. Here we are agreed that the Statute of the Community does not provide a sufficient legal basis for further developments; at the same time, we have in our discussions agreed that the great community of the general Common Market must go much further in this matter in order to secure harmonisation. We in Germany are ready — this is not a condition, it is not an inevitable consequence, it is just the acceptance of definite obligations — we are ready to do everything possible to reach a satisfactory solution in common with the other States. If we agree to include agriculture, this, too, is part of our sense of community.

I would recall that the French Government's wish to include France's overseas territories in the Common Market had a favourable reception from us, in particular — despite all the doubts which were expressed. We are ready to solve this problem, like all the others, in a positive manner.

I am convinced, too, that a number of questions in the field of the peaceful application of atomic energy, questions which today are still causing difficulties, will be solved when we succeed in putting both these great projects into a workable form.

The rightness of the Community's attitude, of its policy to non-members, and also of our new plans is confirmed for me, and, I think, for the rest of us, by the reaction of Great Britain to the project for a Common Market. There can be no doubt that only the prospect of a common market being attained has produced this reaction. Britain had to decide which way to go. I note with great satisfaction — as other speakers have done before me — that Britain has taken a favourable decision, much more favourable than if it had hinted that it wanted to join the Common Market just as a sort of member — for that is not a conception that could be

put in to practice; much more favourable, too, in that the idea of a Free Trade Zone linked to the Customs Union holds so many advantages for both groups, and it can be made definite enough for firm negotiations on the point to be started.

I would like to emphasise one point that has already been made in the Report of the High Authority: the Members of the Community must realise clearly that Britain's ideas and proposals for fuller association will only be carried through if we show the necessary determination in creating the Common Market. If we lose courage, if we are too weak to take decisions, we shall not only fail to get the Customs Union but we shall also have to drop the idea of a Free Trade Zone.

It is very important, and very reassuring for the rest of Europe, that — as is shown by events, by the policy of the High Authority and by the attitude of our Common Assembly — we do not wish to create a self-sufficient European mainland, that we do not wish to isolate ourselves. The intention is merely to create an area with a wider market which will thereafter influence the rest of Europe and from which it will be possible to shape this Europe by means of economic associations and agreements in a far more satisfactory fashion than if we began with doctrinaire ideas of immediately constituting a United States of Europe or the like. Our plans can lead to the organic growth of a large economic area. We are living in an era when large economic areas are essential. I am sure we can say that, if we do not reach this decision, if the others do not react favourably, we shall just not, in this age of atomic energy and of automation, make headway. Our States taken individually have not the strength to go ahead like this. But practical politics are offering us an opportunity of taking decisive steps together. These steps appear to be purely economic, but it stands to reason that, in the normal course of development, they will also have political consequences.

Finally, I should like to say a few words on another point made by M. Mayer. After all the favourable factors

that he discussed, after all his pregnant optimism about the Common Market he ended by saying : I must point out that there are other problems, very serious problems, which today are described as certain inflationary tendencies, as currency disequilibria, as problems of pricing and so on.

Gentlemen, these questions have not been neglected. Obviously, differences in financial policy can destroy a common market. But a common market also has great strength of its own, with which to overcome these trends within itself. The proposals provide for the possibility of considerable help through a moratorium, by means of credits and so on. I can also imagine that, thanks to the existence of the Community, and inspired by the desire to obtain order in Europe, each partner will perhaps be able — here I speak for myself and for Germany — be able to take decisions which would have been politically almost impossible in isolation. With this in mind I should like then to reply to the somewhat pessimistic observations at the end of the Report : we must look on this problem not as a first step but as part of the general move towards our great Common Market and the subsequent extension of this Common Market to other fields.

I have dealt with these matters because, when you leave this Assembly, where the Six are not alone but are sitting together with other States, you ought to take back to your national parliaments the conviction that we are executing plans that are in no way directed against anyone, but whose realisation will, on the contrary, prove beneficial to everyone, plans, moreover, the execution of which is within the bounds of practical politics.

The Chairman. — (*F*) Thank you, M. Furler. I now call M. Federspiel.

M. Federspiel (Denmark). — I should like to begin by paying a tribute to the President of the High Authority for the very full statement he made, in which he unfolded the results of the working of the organisation which he leads and of the market of the Coal and Steel Community. I should

also like to express my sincere thanks to the President and members of the High Authority for their courtesy in discussing with the members of the Committee on Economic Questions, once a year, a number of detailed points.

When we last arrived in Luxembourg we noted with pleasure the new building of the High Authority. There was none of the musty sumptuousness of chancelleries about it; we found ourselves in a businesslike atmosphere where everything breathed efficiency, where there was an approach to these questions from a practical point of view, and where, whenever questions of a practical nature were put, they were immediately answered.

It all put to shame the fear about the development of the Community which some of us had at the creation of the Coal and Steel High Authority, the fear that this magnificent experiment in planning might become sterilised in international bureaucracy. That certainly has not been the case.

We note, not only from the President's address but also from the Fourth General Report on the activities of the Community, that many things have developed in a remarkable way. There has been the expansion and production of coal and steel; there has been a very considerable expansion in the internal exchanges within the six countries; there has been an increase in exports and, what is perhaps most remarkable and which clearly proves the point that was raised a few minutes ago, the Coal and Steel Community is not an autarkic community; and, also, that imports of iron and steel and of coal have risen considerably. There is therefore a great contribution to international trade made by the Coal and Steel Community. There is also no doubt that a very considerable contribution has been made to the rationalisation, the more practical working, of the basic industry of Europe.

What one would normally expect when an industry is rationalised, the administration improved, methods modernised, is that prices to the consumer will be less, that the product will be cheaper. That, alas, has not been so.

That brings me to the first point which I should like to raise from the point of view of the consumer, a customer of the Coal and Steel Community, and as a European interested in the new trends developing towards a greater Common Market and a free trade area. What do we see? We see that there has been a rise in prices within the Community, but that there has been a greater rise of prices outside the Community, that is, in the export prices of the Community. On page 61 of the Fourth Report one reads that prices within the Community have "remained very stable". Two pages later, on page 63, one reads that "The export prices of the Community producers have also shown an upward trend".

Very often when one reads a Report as excellent and full as this the things that are the most interesting are those which one does not find in the Report, and some of the things which one misses in these many and valuable tables are schedules concerning the export prices for coal. It is also very difficult to find exactly what is the percentage of the production of the coal and coke produced which is exported. It is very difficult to see how the price of American coal imported for coking purposes affects the total costing of the production of coke; and we are told in the consumer countries, when we have to pay such very much higher prices than those in the Community, that it is because they may have to put in some American coal and it is very expensive. From figures, it looks as though it might be a figure of 7 to 10 per cent of the coal which is imported from the United States.

Seventy-five per cent of the consumption of the Scandinavian countries come from the Coal and Steel Community, and we believe that the percentage exported is between 8 and 12. Therefore, it is scarcely possible that the whole burden of the higher prices paid for export coal should correspond to the added cost of the American "*Lohnkoks*".

We also note another thing which I think is of importance, that there is quite a considerable disparity in prices within the Community. The President referred to it in his address, when he said that there were, of course, still bound to be tensions within the Common Market. In some of the

Scandinavian countries we have felt, and felt very keenly, that there is a very considerable difference between the price of steel in the different sectors of the Community. We know that there is a considerable difference between steel prices in Germany and France on the one side and in Belgium on the other.

That leads me to a question which I should like to raise in this Debate without in any way detracting from what I have said about the impressive progress made by the Coal and Steel Community. The question is, to what extent does this Common Market really work? So far as I can see, the differences in prices of steel within the Community are considerably greater than the differences between the highest prices within the Community and the export prices. That perhaps justifies the question, is this really a Common Market or is it a free trade area? Is not the important thing that all restrictions within this area have been removed, that goods can move freely? But how important is the whole of the remaining structure of the Coal and Steel Community?

I put the question in Luxembourg to the High Authority, as it appeared to us that the Common Market exists rather outside the six countries than within them. If that question is considered in the light of the relations between the Coal and Steel Community and third countries, I should like to say that a considerable improvement in those relations has been achieved since last year. You will no doubt remember that last year there was a small exchange of views on the legal position-whether it was within the powers of the High Authority to interfere with prices on the export market. I fully agree that it may be questioned whether the High Authority has such powers.

I was extremely glad to note, in President Mayer's address, and also in the remarks made by our colleague M. Struye, that both the High Authority and the Common Assembly had been aware of the fact that here was an important problem to watch, to see that prices were kept at an equitable level, that there was no discrimination in price or

quality of an inequitable nature in the Community in dealing with their customers, particularly their old customers in the Scandinavian countries. I was glad to find that this matter has been taken up. The High Authority has used its influence to impress on producers that equitable limits must be kept on export prices.

Returning to the question of the actual working of the High Authority, there is one other question which is not referred to in M. Struye's Report, it is not referred to in the Report of the Coal and Steel Community, nor did M. Mayer mention it. It is the question of the relationship with the fourth link, the relation between the High Authority and the Governments.

It might very well be conceivable — I am only suggesting this, for I have no evidence and no proof — that some of the tensions within the Community, for instance, the disparity in the price of steel in France and Germany on the one side, and in Belgium on the other side, might be due to the fact that the Governments of Germany and France were exercising influences within their countries entirely outside the control of the High Authority to stabilise prices at a level different from that of Belgium where there is a free formation of prices. I am suggesting that that is the kind of thing that might happen, and it would be useful to know, for the future discussions on European institutions, to what extent the balance of power between the Governments of the individual countries and of the High Authority works. I am not insisting on an answer today.

Finally, there is the question of the relations between the Common Assembly, the Consultative Assembly and the High Authority. In that respect I entirely associate myself with the regret that it has been impossible to extend the means of association. It is my personal and sincere belief that whatever form the future markets of Europe may take, a closer association between the coal and steel Common Market, the Common Market of Europe, and the United Kingdom and the Scandinavian countries will be possible. I believe that

the discussions that we have in this Joint Meeting are a useful introduction to whatever future co-operation of this nature may be possible.

The Chairman. — (*F*) Thank you, M. Federspiel. Mr. Oakshott has a statement he wishes to make.

Mr. Oakshott (United Kingdom). — I am very grateful to you, Sir, for giving me an opportunity to make this intervention which has no reference to this Debate at all. Earlier in the afternoon you called my colleague, Mr. Hay, to address the Assembly and he was not then in his place. I have been in touch with Mr. Hay and I regret to say that he has suddenly become indisposed. He has asked me if I would extend to you, Mr. Chairman, and to our colleagues in this Assembly his apologies for not being here, and say that of course the very last thing which he would wish to do would be to show discourtesy of any sort to anyone here. I do not think that Mr. Hay is seriously ill, but he is certainly not able to be here this afternoon, and has therefore asked me to make this apology to you.

The Chairman. — (*F*) Thank you Mr. Oakshott. I note that Mr. Hay wishes to withdraw from the list of speakers.

I therefore call M. Gozard.

M. Gozard (France). — (*F*) Mr. Chairman, Ladies and Gentlemen, our distinguished colleague M. Struye in his excellent survey stressed the part played by the Common Assembly in what is generally described as the “new drive for European integration”.

Our Assembly could not turn a blind eye to the attempts to lift the European idea out of the rut in which it became stuck after the failure of the European Defence Community.

For is not our Assembly the first parliamentary embodiment of those European Communities which, though at pre-

sent confined to six countries, may one day cover a geographically more realistic Europe?

This, as M. Struye recalls in his report, was what the Working Party of the Common Assembly of the European Coal and Steel Community, and then the Assembly itself, had in mind when they considered the problems raised by Euratom and the Common Market.

The Assembly did not limit its study to the principles which must govern the establishment of the Common Market and Euratom, but took the question further. It sought to unravel the institutional aspects of further European integration.

I do not wish to regard what has been said as the last word in the matter, but I should like, with your permission, to bring these institutional aspects to your notice as briefly as possible.

To our way of thinking, it is appropriate that Assemblies such as ours should be able to make suggestions to the Governments before work has even begun on the treaties which, in a matter of weeks or months, are to be laid before the national Governments and Parliaments. The first question to arise was thus the problem of co-ordination between the European Coal and Steel Community Treaty and the treaty or treaties which will set up the Common Market and Euratom, coupled with the problem of assimilating or differentiating between the institutions provided for in these various treaties.

It was found preferable to make the most of existing institutions already working for the Coal and Steel Community, even if this meant modifying their structure and scope.

The original blueprint for the Common Market prepared by the Brussels experts provided for a European Commission quite distinct from and independent of the High Authority of the E.C.S.C. Alongside this, there was to be a Council of Ministers on similar lines to that of the E.C.S.C., but with different powers. The same applies to Euratom : a

specialized European Commission was to be set up on which the Governments would again be represented by a Council of Ministers, probably (although this was not stated in the report) composed of the Ministers in charge of nuclear questions in the various countries, for almost all the Governments have now appointed such Ministers.

This would mean that only the Common Assembly and the Court of Justice of these new European Communities would in fact be common to them and the European Coal and Steel Community. We should be pleased if the present debate resulted in a suggestion of this kind to those Governments whose Ministers are at this very time meeting in Paris to discuss certain aspects of the treaties.

We feel that provision should immediately be made in these treaties for at any rate close liaison between executive authorities for coal and steel, atomic energy and the Common Market.

As the President of the High Authority recalled in his address this morning, the countries of Europe must pursue a concerted policy in the field of energy. Recent international events have opened the eyes of the previously blind to the urgency of a go-ahead policy in developing European sources of energy. This policy and this development cannot be successful unless there is co-ordination between the activities of the various European Communities. This is why, in our view, it is impossible to insist too strongly on the immediate establishment of close links between the new institutions.

We also think that the European Commission envisaged in the experts' report would be better if it had more than purely executive powers. At present it has no say in policy making, which remains the prerogative of the Council of Ministers.

Furthermore, though it has considerable latitude in the administration of the Treaty and in the use of saving clauses and derogations, its relations with the Governments and the Council of Ministers remain extremely ill-defined. If a reason-

able balance is to be struck between the responsibilities of the European Commission and the Council of Ministers, the Commission will have to be empowered in the long run to initiate general policy.

For the new organisations, as for the European Coal and Steel Community, the Council of Ministers envisages a meeting of Ministers in their national capacity — not collectively responsible to the Assembly. Yet according to present plans this is the body which will lay down the general policy to be followed by the European Commission.

As for the Common Assembly, its influence would go no further than the European Commission, and I feel this shows a lack of proportion which is not without its dangers. It would be a good thing, therefore, after a certain lapse of time, to make the Ministers increasingly responsible to the Assembly.

The best answer to the problem of the proposed Parliamentary Assembly would appear to be a single Common Assembly competent to deal with the affairs of the European Coal and Steel Community, Euratom, and the Common Market.

The effect of the plan put forward by the Messina Intergovernmental Committee would be to broaden the present scope of the Assembly, particularly in financial matters. We, naturally, welcome this suggestion and any other measure designed to strengthen the powers of this Assembly.

The creation of a Court of Justice raises no major problem, except that it hardly seems advisable to increase the membership of the Court by introducing experts whose impartiality might sometimes be questionable. The best solution might be to create a Court of Justice with three Chambers or sections, each specialising in matters relating to either the Coal and Steel Pool, the general Common Market or Euratom.

We also wish to stress the need for securing the co-operation of the trade union organisations with the new Communities. We look upon their presence as essential. We must find a place in these Communities for the working community at large and get it to take a much more active part than before in the building of Europe.

Similarly, questions of finance should probably be dealt with by a special body like a Board of Governors composed of the Governors of the issuing houses of the member countries which join the new Communities.

Thus, by first introducing fixed exchange rates between the various currencies, the way could be prepared for the gradual and smooth establishment of a single European monetary system and a single currency.

Such, briefly, are the institutional aspects of the treaties concerning the new European Communities, to which I humbly wished to draw your attention. I consider it the duty of our Assemblies, now that the Governments are at work on the treaties, to remind those responsible that certain solutions seem to us essential if we are to build a solidly-based democratic and socially enlightened Europe, which will foster economic expansion, higher standards of living among its inhabitants and prosperity in the world at large.

The Chairman. — (*F*) Thank you, M. Gozard.

There are still four speakers to be heard: MM. Radius, Moutet, Czernetz and Wehner.

I now call M. Radius.

M. Radius (France). — (*F*) Mr. Chairman, on 9th July, 1955, the Consultative Assembly adopted a Recommendation on measures to be taken to enable Local Authorities to meet the new responsibilities arising from the establishment of the European Coal and Steel Community.

I have no intention of harking back to the substance of this Recommendation, but I should like to remind you of the

four points it raised : the creation of new activities capable of assuring the re-employment of workers, the re-adaptation of unemployed workers, the housing of workers, and, lastly, the psychological problems resulting from the transfer of workers. Particular importance was attached to the part which could and should be played by the local community in solving these and many other problems, for the local authority is often the only body capable of dealing with such problems.

Accordingly, in April, 1956, I submitted the following written question :

“to ask the Committee of Ministers what effect has been given by the High Authority and the Council of Ministers of E.C.S.C. to Recommendation 76 (1955) transmitted to them by the Committee of Ministers under Resolution (55) 16 more than six months ago.”

So far, the only reply I have received is as follows :

“The Secretariat-General forwarded Resolution (55) 16 to the High Authority and the Council of Ministers of the E.C.S.C., requesting them to take whatever action on it they might consider useful and to inform the Committee of Ministers of the Council of Europe thereof.

Both organs of the E.C.S.C. have acknowledged receipt of this letter.

Even from our point of view, this is no more than an acknowledgement of receipt, and I was surprised to note that the two otherwise so complete accounts given this morning by the President of the High Authority and the Rapporteur, M. Struye, contained no reference to the High Authority's position *vis-à-vis* the local authorities.

Accordingly, I would respectfully ask, not only on my own account, but also on behalf of many of my colleagues who are mayors or councillors of towns and cities throughout

Europe, what is the attitude of the High Authority to the local authorities in the matter I have just mentioned.

The Chairman. — Thank you, M. Radius.

I call M. Moutet.

M. Moutet (France). — (*F*) Mr. Chairman, Ladies and Gentlemen, like the rest of us, I was keenly interested in the substantial report introduced this morning by my former colleague, M. René Mayer. Its importance to us is considerable, for it will enable those of us who voted confidently and even enthusiastically for the creation of a Europe of the Six, despite our reluctance to accept what I might call a Little Europe inside a bigger one, to justify our attitude by reference to what has been achieved.

When our Committee on Social Questions visited Luxembourg, and the social rôle of the European Coal and Steel Community came up for discussion, the information we obtained was extremely valuable. When again, in the difficult period which heralded the closure or threatened closure of some of our French mines — suspension of operations in the Haute Saône mines and a threat to the mines in Provence or the Cévennes — we were able to give our Assemblies particulars of the transfer and rehabilitation of workers, so softening much of the resentment caused by measures which, although designed to co-ordinate production, were naturally a shock to the regions which had to suffer the consequences.

I am well aware that our miners from the South of France will not feel quite at home in Lorraine, whatever you do on their behalf. In his home district our Southerner can tolerate the life of a cricket when he works underground, for he knows that he will feel like a cicada when he emerges into the sunshine.

I shall prove my interest in the report we heard this morning by putting a few — I believe useful — questions to the High Authority. It is sometimes a speaker's greatest

satisfaction to feel that he has awakened the interest of his audience, even if the audience finds the resulting questions somewhat irksome.

After this morning's moving ceremony, we realised, on hearing the report, that the High Authority for Coal and Steel had taken up the problem of safety conditions in the mines. This is welcome news indeed, for there can be no doubt that one of the most useful tasks it can perform is to generalise and enforce such safety measures as will convince the workers that their difficult and dangerous working conditions are being steadily improved.

As regards the Committee of Experts, I should like to ask the High Authority whether it will call upon all known authorities and the representatives of all nations experienced in the particular hazards of mining.

I am well aware that mining conditions are not everywhere the same. The difference between open-cast mining and working at depths of three thousand feet is obvious to all' and narrow seams are known to be more difficult to work than broad ones. The fact remains that world experience may be of use to the Coal and Steel Community. I should like to see the Community enhance its moral authority in this matter by taking the lead in the campaign against the dangers of mining. I should like to see it casting its net as widely as possible and taking the maximum advantage of the experience of countries which may have gone further than us in the study of safety measures. For their views might be useful to countries less advanced in the protection of their workers, which could then consult the Community on this matter.

That is my first question.

My second question concerns the price of coal and touches on a somewhat delicate problem. I understand that the High Authority for Coal and Steel has been partially successful in keeping its prices below those of non-Community countries. Certain regions, even in France, which is a Member

of the Community, are considerably handicapped here. I refer to those which, being unable to obtain supplies from the Community, are forced to buy in the United States and therefore pay a high price for fuel with which to run their industry.

What is the High Authority doing to try and equalise, if not prices, then at least the supply situation? Could it not, if so requested, try to make at any rate partial deliveries to those regions, at the price it normally charges for its coal and kindred products. Here I speak for members of this Assembly who represent such regions, for I am sure they will be glad that I have put this question to the High Authority.

The third question suggested to me by the report concerns what the President said about the current situation in Great Britain and Scandinavia.

You know how anxious we are in the Council of Europe to extend the scope of a uniform Europe based on a sound economic system. To this end we are doing our utmost to advance by slow degrees — too slow, alas, for our satisfaction — towards that supranational authority without which there can be no genuine Europe.

But in this Europe of the Fifteen, there are still nine countries outside the European Coal and Steel Community, which is a supranational organisation limited in scope but with definite authority.

Unfortunately for Great Britain, she can no longer fulfil her export quotas and also satisfy certain of her customers — I use this term in no derogatory sense — who follow her economic and sometimes her political lead, at least wherever the problem of European unification is concerned.

The High Authority for Coal and Steel now supplies the Scandinavian countries with coal and I therefore ask what it is doing to ensure that these new customers become associated with it on the same terms as Great Britain, thus

enabling other European nations to be more closely associated in the construction of Europe than is possible by a mere trading relationship.

My fourth and last question concerns comments made by my friend and compatriot, M. Gilles Gozard, who represents a mining area, on the institutions of the European Coal and Steel Community and the proposed counterparts for other forms of energy.

We are indeed faced with the choice that he mentioned : either co-ordination and liaison, or concentration.

As a member of the Assembly of the Council of Europe since its inception, I have always sided with the exponents of making the maximum use of existing European institutions rather than creating one institution after another. Otherwise we shall have a Europe spread over far too many institutions and few people will be able to see the wood for the trees.

I myself favour the creation of one general European Ministry of Energy, both in the material and in the idealistic sense. Perhaps the High Authority for Coal and Steel could go into this problem and give us its views without exceeding its prerogatives.

The High Authority is concerned with coal as a source of energy, but coal-driven power stations already produce a certain amount of electric power, and now nuclear energy has arrived on the scene.

Are we to have a further independent Council of Ministers? Are we to have a new Assembly and new authorities, working separately, while this institution is already experienced in common market problems and the way in which energy should be distributed?

I think this would be a deplorable policy. I realise that new scientists and technical staff would need to be recruited. But if I frame my question like this : "Is it not your ambition to become a general Ministry for European energy?",

you will see the direction which I should like you to take and the matter on which I should like to have your opinion.

By doing this you would not exceed your prerogatives, for as a political institution you must consider substitute and supplementary forms of energy. You are not merely an economic and social institution, but also a political institution, that is to say, one which must "provide for the future" to quote a hackneyed term which I hesitate to employ.

You must, therefore, have an opinion on this subject, and I assure you that you can count on the support of many of us if you aspire to that lofty ambition. I am convinced that you will find much support in the Council of Europe if you wish to move in the direction of a single Ministry for European Energy.

The Chairman. — (F) M. Wehner now tells me that he does not wish to speak after all.

I therefore call M. Czernetz, the last speaker on the list.

M. Czernetz (Austria). — (G) Mr. Chairman, it was yesterday, I think, that my friend Mr. John Edwards expressed the view that we should also deal with problems with which we are not directly concerned. Today, for the first time, Austrian Representatives, that is my colleague, M. Stürgh and myself, are expressing definite views on ECSC problems, and here, I must admit that our attitude is not an impartial one, as would befit complete outsiders. In my opinion, the Coal and Steel Community is of vital importance to Austria, even though we are not members of it. And, if I may say so, this applies not only to Austria but to all European countries, irrespective of whether or not they are members of the Coal and Steel Community. Even we outsiders feel that the fate of this undertaking is of the highest importance to Europe as a whole.

As a representative of a country that is not a member of the Community, I should like to say, in connection with

the report before us today, that we sincerely welcome the great successes achieved by the Coal and Steel Community which has increased its production, developed its volume of trade and added to its prestige.

To begin with, Austria reacted in much the same way as other European countries, inasmuch as its people showed some surprise and curiosity concerning this new experiment but no real understanding of the issues involved. And I believe that public opinion in Europe — certainly in the non-member countries and perhaps even in the member countries — has not yet grasped the practical significance of economic co-operation, in general, and of integration and the European Coal and Steel Community, in particular. It cannot easily be persuaded to support the idea of European unity or the cause of the Council of Europe on purely ideological or political grounds. I think that it might perhaps be easier to awake an interest in European unity on the basis of a successful economic community.

Hence I think it is extremely important to go beyond the purely parliamentary framework and give the widest possible circulation to the substance of the report among the peoples of Europe. Speaking as a Socialist, I might add that workers in Europe would very much like to know how far an economic community and closer links between States would contribute to higher production and a higher standard of living, improve social security and make for greater social justice.

The plans drawn up within the Community at the Messina talks, which are at present under consideration, testify even more to the significance of the Community of the Six. Austria is taking a keen interest in the plans for a common market and a closer customs union and the OEEC plans for the establishment of a free trade area extending beyond the customs union of the Six and, finally, the talks on Euratom and O.E.E.C.'s proposed solution, namely to institute a more flexible co-operation with regard to the use of nuclear energy for peaceful ends.

In this connection, I am deeply grateful to the Rapporteur, to M. Mayer, and to a number of other speakers who have said in the course of this session that relations between the Austrian Republic and the Coal and Steel Community are much better now than they were a few years ago. We are very pleased with this improvement for, let us not forget, Ladies and Gentlemen, that the reason why at one time these negotiations were difficult, lengthy and discouraging, was that Austria was not then in a position to join the Community. Nor is it certain that Austria could have concluded even an association agreement since, at that time, it was not a sovereign but an occupied country.

It is now a year since the Austrian State Treaty came into force. Austria is a sovereign country and there is no doubt that the neutrality stipulated in that Treaty is of a purely military nature. There is nothing, therefore, either in our constitution or in our system of public law to prevent us from re-examining the problem of relations between Austria and the European Coal and Steel Community.

Personally, I think that there is every reason why this problem should be re-examined. Needless to say, I am not committing either my Government nor my party, for, as we all know, this is not within the power of a representative to an Assembly like ours. But I think it is sufficient to examine Austria's trade statistics to gain a clearer idea of the situation. The crucial nature of this problem for Europe, and, of course, for my own country, Austria, becomes obvious when it is considered in conjunction with the new plans for the establishment of a European customs union. One quarter of our total iron and steel exports go to the ECSC countries; in other words half our overall exports go to member countries of the European Coal and Steel Community. The plans for a customs union have aroused our interest, and we now wish to clarify and provide a new basis for our relations with the European Community.

True, Austria is a small country, but it is situated in the very heart of Europe between Germany and Italy : thus it is

a central country — and from the geographical point of view has certain features in common with Switzerland. But, unlike Switzerland, Austria is also, for Western Europe, a country bordering on the East. It follows that our position is both very delicate and very important. We have close relations with the West with which we have much in common but, at the same time, our geographical position being what it is, we conduct very extensive trade relations with the East; yet our trade relations with Eastern Europe are on a much smaller scale than our relations with a great number of Western European countries.

Even a small country like ours can do a great deal for Europe, perhaps even more in the future than today. In this connection, it is worth mentioning Austria's hydraulic energy reserves and the structure of the major European inland waterways. But, if I may express myself thus, the Danube flows in the wrong direction. Our trade is mainly with the West, but the Danube flows in an easterly direction. One might almost say that from the point of view of transport the Danube is a dead-end. That is why Austria is so keenly interested in the completion of the connections between the waterways of Central Europe navigable in the direction of Western Europe, in other words, the completion of the system of inter-connecting canals between the Rhine, the Main and the Danube.

The unfinished section of the system lies in German territory and will be completed by German firms. I believe, however, Sir, that the completion of this navigable system in Europe and the construction of the Rhine-Main-Danube canal does not concern only Austria and Germany but is of vital importance to Europe as a whole. In my opinion, Austria will be even more closely linked with the Community of Western European nations when this project is completed.

As a European and as a humble supporter of the cause of European unity I am whole-heartedly in favour of Austria's participation in European economic integration. I am convinced that already now, in the Council of Europe, and later

on when economic integration becomes a reality, we shall be able to serve the cause of Europe. As a younger neutral country we may set an example which will persuade Switzerland to associate itself more closely with Europe.

We Austrians are realists; we are aware of our country's a special position. Not that we imagine that we have a tremendous role to play; yet in view of our geographical and trade position we might to some extent act as an intermediary. In the present circumstances we might perhaps even help to overcome a great many other difficulties. We hope that the present divergences between the supporters of a supranational system and those of a more flexible international system will resolve themselves and that a compromise will be found to bridge the gap between the two schools of thought. We Austrians will do our utmost, however modest our contribution, to help establish closer relations and complete the process of European integration.

We hope, Sir, that in our country and all the other European countries this problem will be examined in a spirit of solidarity and unity.

The Chairman. — (F) Thank you, Monsieur Czernetz.

That completes the list of speakers for this debate.

I now call M. René Mayer, President of the High Authority, to answer the questions which have been put to him.

M. René Mayer, President of the High Authority. — (F) Mr. Chairman, my colleagues and I have followed with the utmost interest your Assembly's debate on the statement I made this morning on behalf of the High Authority.

We welcome the atmosphere that seems to prevail in this Assembly or shall I say its reception of our remarks on the points which we were asked to elucidate: the economic situation of the Community; the relationship between this situation and industrial activity in general; the external relations of the Community in the institutional and economic fields.

I should particularly like to thank those speakers who had kind things to say about my speech on behalf of the High Authority.

Today we first heard the report of M. De Geer, then Mr. Edwards, then the questions put by M. Federspiel, whom I might almost describe, likewise, as a Rapporteur.

We were delighted to receive the Committee on Economic Questions of the Council of Europe at Luxembourg and we shall always be glad to welcome its members before these meetings and answer questions, either personally or through our officials.

Mr. Edwards, Rapporteur of the Committee on General Affairs, commented on a draft Resolution prepared for the Council of Europe Assembly in reply to the Third Report of the Common Assembly. With his permission I would refer with thanks to a point he raised which has the full approval of the High Authority and which it is a pleasure to hear mentioned by an independent outsider, namely that the experience of the Coal and Steel Community and the opinions of the Common Assembly acquire deeper significance the closer we come to a decision on the new forms of European economic integration.

The High Authority does, in fact, believe that, within the limits of its capacities, it is an expert on common market problems. Moreover, it cherishes the hope that, with the support of Members of Parliament here present, it will be able to state its views on the best way of running common markets, even if they are not concerned with coal and steel (*Hear, hear*).

That is what I felt I should reply to Mr. Edwards' speech.

M. De Geer has kindly noted the observations in my statement which deal with economic questions he raised.

The High Authority thanks the Committee on Economic Questions for the draft Resolution which it has prepared in

reply to its Fourth Report. It trusts, in particular, that the statement which you heard this morning and our conversations at Luxembourg have convinced members of the Committee that, despite the stresses now being felt in the common market, and although there are the closest relations between the Member States, the Assembly's hope will be fulfilled and there will be no loosening of economic ties with non-member countries.

My analysis this morning seems to me to show conclusively that there is no sign of a loosening of these ties. I find further evidence of this in your abiding interest — and here I refer particularly to the representatives of non-Community countries — in the economic questions which link non-member countries to the European Community.

That enables me to say to M. Federspiel that some of his observations are now more to the point than they were at the time when the report was prepared, for the coal and steel market has been subjected to considerably more stress since that time. However, with regard to the general question of coal export prices on which he was disappointed to find no figures in the printed report, I can only refer him to the case I put this morning to explain why mean prices in this field would be fruitless, in view of the wide variations in the position of different types of coal exported by the Community.

M. Federspiel asked: "Is there a genuine common market for steel? Prices vary considerably from country to country and is not this to some extent due to governmental influence?"

I have two things to say to this. First, the fact that there is a common market does not mean that prices will become standardised overnight. However, my colleagues will not take it amiss — for they share my opinion — if I admit that the Government may have something to do with the situation in certain countries.

I think I pointed out this morning, towards the end of my speech, that the Governments' perfectly legitimate concern

about price trends and inflation involves some countries in a policy of partial State control — as it is called — and this may influence price-levels even in the common market. Excluding, of course, Community products proper, for they are ruled out by the Treaty, but including what I might call unlisted secondary products; including even certain countries where coal prices depend on the Government as owner-operator — for this can happen — with these provisos, the High Authority cannot deny what M. Federspiel has said.

I must now thank the two speakers who represent the Parliament of the Federal Republic of Austria.

The High Authority is particularly satisfied with the relations it has established with the Austrian Republic, which are continuous, thanks to the excellent delegation sent to Luxembourg by the Government of this country. The High Authority fully sympathises with the position — explained by M. Stürgkh and M. Czernetz — of this country which, having regained its national sovereignty, finds itself, owing to long-term and short-term historical factors, in a special position as regards trade, and is torn between its Western sympathies, on the one hand, and its dependence on East-West trade, on the other.

An association with the Community would obviously be welcome. The policy of the High Authority is quite clear; it wishes to establish increasingly close relations with all European countries which desire them, adjusting their scope to the possibilities of each.

I hope that the forward-looking and, perhaps, somewhat premature views of M. Czernetz will be vindicated as time goes on. For its part, the High Authority will always be ready to go as far as its future relations permit, these being based, of course, on a fair balance between benefits and obligations.

M. Furler, Chairman of the Political Affairs Committee of the Common Assembly, has kindly acknowledged that the account of the Community's external affairs given in the

report provides a complete picture of events over the past year.

I share his belief that the developments which stemmed from the Agreement of Association and are continuing through the agency of the Council of Association will gain impetus in the future. As he pointed out, these developments have had important results, even in the material sense.

With regard to the Consultation Agreement with the Swiss Federal Republic, M. Furler thought that the basis of these consultations might be somewhat one-sided, since this consumer country will be consulted before restrictive measures are taken and is therefore at an advantage compared with the Community.

M. Furler will certainly agree that it is difficult to conclude even consultation agreements in which the weights are evenly balanced on both sides. Perhaps I may also remind him that, thanks to the establishment of good relations with the Swiss Confederation, the High Authority has been able to raise a loan of 50 million Swiss francs on the Swiss market and interest the Swiss savings movement in coal and steel investments in the Community. This has certainly been to the advantage of the Swiss saver, who, we may be sure, has made an excellent investment, but it has also been to the advantage of the Community, which in its turn has been able to grant loans and canalise investments in order to meet the present scrap market situation and the increasing need to step up economies of scrap, not merely by short-term measures, but principally by structural adjustments.

I am grateful to M. Furler for his understanding of my concluding remarks on national policies and on the idea — also expressed by M. Gozard — that we must press forward towards a common economic and monetary policy if we are to achieve a really united Europe of more than six nations.

However, I have also heard the words “prior conditions”. The sound of these words always affects me strangely. (*Laughter.*) I should be sorry if M. Furler thought that I

dismissed the possibility of introducing a common market until monetary and economic policies were fully harmonised.

If this were so, I should not be in favour of pursuing our efforts, for I am no believer in immediate harmonisation. I hope harmonisation will be swift, but there is no question here of "prior conditions".

In the period of great expansion in which we live, the only method of harmonising price policies in a common market is to aim at a concerted economic and monetary policy. The two things must go hand in hand, and it is even possible, as MM. Gozard and Furler believe, that the general common market will itself result in this common economic and monetary policy. At any rate, I beg M. Furler to accept that I do not regard it in any way as a prior condition.

I would thank M. Pünder for his kind remarks and for his assessment of the work of the High Authority. I followed him carefully and, as I understood him, he has no great admiration — to put it mildly — for the activities past or present of the organisation known as Western European Union, for which I, on the other hand, have the greatest respect.

I note that this institution has no executive body, whereas we have one here. But, though it has no executive, as we heard from Mr. Edwards, whose concerns are similar to those of the Rapporteur, M. Struye, ours, on the other hand, has one with limited but real powers, unlike Western European Union.

I will go no further into this matter, although it might be worth while pointing out that, on the very day when this Assembly was criticising its own institutions, a certain political party was declaring in a great French city that here was the right channel for the future integration of Europe. This is an interesting fact, for the two meetings were held on the same day. If there had been a day between them, the fact might never have occurred. (*Laughter.*)

I should also like to tell M. Wistrand that the High Authority sympathises with his concern for the lot of foreign workers employed in the industries of the Community. M. Wistrand doubtless had in mind that there are vast numbers of foreign workers in certain Community collieries — for instance in Belgium, where they sometimes average 70 % of the total labour force.

The High Authority has a duty wherever migration for employment is concerned. So have the Governments, particularly in the matter of social security.

There is a clause in the Treaty, namely Article 69, paragraph 4, which states that the Governments “will work out among themselves any arrangements necessary so that social security measures do not stand in the way of the movement of labour”. This means not only that such arrangements must not obstruct the movement of labour, but also that social security measures must be so designed that a worker going abroad for employment may have access to benefits protecting his family left behind in the home country.

That is a matter of great concern to the High Authority. It has done its utmost to induce the Governments to honour their commitments under Article 69, paragraph 4 of the Treaty.

Not long ago the Council of Ministers held a night sitting — a rare event, but it does happen — at which the Ministers of Labour went into this question with the Ministers for Economic Affairs.

Gentlemen, I will make no secret of the fact that these Ministers were far from unanimous, that the experts are still at work and that they have been asked further questions. I can, however, assure your Assembly that we shall not rest until we solve these problems, which I admit are not simple ones, for they raise complex social security problems for the Governments receiving foreign workers.

We realise the difficulties but we hope that the Governments will persevere in their efforts. As for us, we shall do everything within our power to keep them to the mark and also, of course, to smooth the way for them. Incidentally, one result of this meeting of the Committee of Ministers has been an appeal to the High Authority to put forward proposals. It has complied and it trusts that its proposals will lead to the implementation of this provision of the Treaty.

M. Radius has asked the High Authority which of our many pigeon-holes was harbouring a question on the participation of the local authorities in the process of re-training and re-employment. M. Radius was, indeed, the originator of a Resolution of the Consultative Assembly which said that the local authorities should be more actively associated with re-adaptation and social measures.

The Council of Ministers answered this question at the beginning of last year, and the High Authority has given a similar reply. I cannot say whether it reached M. Radius, but the upshot of it was that, once agreement has been reached with the High Authority, the responsibility for carrying out re-adaptation measures on a national scale rests with the Governments, which might well bear in mind the suggestions which Mr. Radius passed on to the Committee of Ministers of the Council of Europe.

I might justifiably confine myself to this formal reply, for it comes from the institutions of the Community, but I am prepared to go further and assure M. Radius that the High Authority will always be glad to receive information from the local authorities on problems within their province, particularly on the laying off of workers and the creation of new occupations. For instance, on a journey to Italy, my colleagues and I contacted an important Sardinian local authority and went into this question. We asked this authority to let us know of any proposals it had to make on the creation of new occupations in this area, which is one where the coal-mines are laying off workers and re-adaptation measures should be put in hand with the assistance of the High Authority.

This shows that the High Authority, far from ruling out direct co-operation with the local authorities, in fact welcomes it.

I now turn to the questions raised by Mr. Jenkins and M. Moutet, which also tie up with those of M. Gozard.

I am very grateful to Mr. Jenkins for raising matters which give me an opportunity of elucidating certain points for the benefit of the representatives of third countries as well as of members of the Common Assembly.

At all events, I am glad to be able to explain the attitude of the High Authority to these questions.

Mr. Jenkins began by telling us: "You have attributed the rapid recovery of the Italian economy to the existence of the common market; you have quoted figures showing that the Italian economy has recovered more rapidly than that of other countries and you have connected this phenomenon with the common market. Are you justified in believing that the common market is really responsible for this recovery? Is it not rather a natural process due to natural expansion and the action of the Italian Government?"

I do not deny that the action of the Italian Government has had much to do with it, but I ask Mr. Jenkins to believe that its policy on this was co-ordinated with the High Authority's and *vice versa*.

The High Authority was officially informed, for instance, of the Vanoni Plan.

Here I would pay tribute to the memory of this great public servant, who had such bold and progressive ideas about the re-organisation and reconstruction of one area of his country. We have been in close and friendly association with the Italians who have been instrumental in our adoption of a number of positions on this and that.

Make no mistake about it: the re-organisation and re-adaptation measures in the Italian coal and steel industries have not been without their influence upon this revival of the Italian economy, and it is due just as much to the Community as to increased tariffs during the transitional period that the Italian steel industry has been able to develop and realise that by the end of the transitional period it must be ready, stronger and capable of facing competition. The loans we have succeeded in negotiating have enabled us to lend capital to the Italian industry, with which it has been able to step up its productive capacity and envisage new forms of production capable of competing on the international market.

This has all helped to revive the Italian economy, though I realise that such factors as the use of natural gas have also played their part.

Last and not least, the existence of a common market, of which it is a Member, gives Italy safeguards for the future which would otherwise be denied it, and this applies not only to supplies of certain commodities but also to outlets for its production.

There you have a body of facts which justify the High Authority's belief that its institutions and the common market are not unconnected with the revival of the Italian economy.

Mr. Jenkins has also asked us whether we are satisfied that the common market for coal and steel is operating to its fullest extent.

I think I pointed out this morning in diplomatic terms — for which I must apologise, for I do not make a habit of them (*Laughter*) — that we believe stresses are appearing in the coal and steel market owing to the fact that it is a buyers' market and the play of competition may be restricted. All coal can find a purchaser, and when that is so the common market clearly cannot operate as it would under conditions of outright competition.

Does this justify the conclusion that we are right in not fixing coal prices? I would remind you that we are empowered to fix maximum and minimum prices, but not the actual price of coal. I would also remind you that the High Authority decided last year to terminate the fixing of maximum prices. Moreover, increases in coal prices since that time have been on a very moderate scale and have been unavoidable in view of increased costs of production.

Were we right in abolishing maximum prices? Some quarters have blamed us for this decision; on the other hand, I have read, particularly in the national coal industry report of one of the Community countries, that the High Authority is suspected of having brought pressure to bear to prevent prices finding their natural level. This I find difficult to understand, for prices have been free for a very long time.

Thus, the High Authority believes that it has followed a reasonable price policy, and even though adjustments have been necessary to ensure the survival of collieries and enable their incomes to keep pace with the need for renovations, we note that these price-increases have been moderate and are certain that the Governments have done everything possible to prevent them.

Most of them have been largely successful, and the High Authority does not feel called upon to fix maximum or minimum coal prices.

Mr. Jenkins, final question, which is connected with M. Moutet's, was as follows: "Can you give an opinion on the number of years coal will have to be extracted even if atomic energy makes rapid progress?"

I do not think the Assembly will take it amiss if the High Authority plays safe in this matter. The High Authority is conversant with the problem and its members read many documents: first of all those produced by the High Authority, which is not a bad record in itself (*Laughter*), and some others too. It has read, for instance, the American report on atomic energy and its peaceful uses by the Mac-

Kiney Committee, which estimated the time factor as regards the United States.

It knows that the Community countries which wish to join Euratom will also go into the question of what is possible, when it will be possible and in what economic circumstances energy can be produced from new sources.

In a short time, when we have consulted the Consultative Committee, we shall put before the Common Assembly our new work on general objectives, in which, with the assistance of the experts whom I mentioned as having worked throughout the summer, we shall try to give a reasonable assessment of coal prospects.

If the *per capita* consumption of energy goes on increasing at the present rate, there is still a definite future for coal in Europe, as indeed in America, to judge by the MacKiney Report. The question arises, of course, at what point the new forms of energy will become more economical than coal.

I wish to make no predictions on this subject, and would ask you to await the tentative views which we put forward in our new report on general objectives.

I shall now, if I may, reply to M. Moutet and M. Gozard, when I think I shall have covered every speaker.

First let me tell M. Moutet how pleased I always am to acclaim the forcefulness and, if I may so express it, the "European drive" of this *doyen* of the French Senate (*Applause*) who sets a magnificent example of energy. He has appealed to us to be both bold and ambitious — ambitious not in our method of approaching questions, but in demanding the powers which he would like us to have.

With regard to safety in the mines, M. Moutet commended us for associating certain Governments with the Conference, but told us that we could invite more than we have.

I realise this, but I should reply that the States which are to take part in this Conference were chosen by the

Council of Ministers of the Community. Any further choices in connection with the coal mines would raise certain problems. The conference on safety in the mines includes representatives of the Community countries and Great Britain, which has received an invitation to attend. If other mining countries were to be invited, political problems would arise. The Governments, which are competent in the matter, will certainly take note of M. Moutet's question and of the Assembly's debate on the subject, which may have a certain effect.

I would, nevertheless, remind M. Moutet that the world at large is already represented at the conference by the International Labour Office.

M. Moutet's second question puts the High Authority in a somewhat more difficult position, because it does not like saying that developments in certain countries may be due to the policy of their Governments or administrations.

As regards the different coal prices in coastal districts or in the areas mentioned by M. Moutet, the High Authority can only answer M. Moutet — and the representative of a coastal district whom I notice in the hall — that these questions of the equalisation or geographic distribution of tonnages supplied are beyond its terms of reference. The French Government applies a certain system of equalisation to coal prices, and I thought it operated efficiently and thoroughly. From what M. Moutet says and to judge by the written questions of M. Pleven, I see that certain difficulties arise. I cannot say more. We shall write to one of these questioners giving the necessary information.

Thirdly, M. Moutet spoke of the Scandinavian countries. "Since you have concluded an Agreement of Association with Great Britain", he asked, "and since you may soon link that country with a general common market under some free trade system, why not work for an agreement of association with the Scandinavian countries?"

My reply to that is that it takes two to make a marriage, in fact more than two in this case (*Laughter*). However, the

High Authority is fully determined, whenever possible, to go on signing agreements with the Scandinavian countries on suitable terms. As I said this morning, some of them maintain delegations at Luxembourg, and our relationship is one of regular consultation and trust. We sometimes tell one another home truths, but these are statistical facts, which, incidentally, are the only ones worth mentioning. (*Laughter*). Nevertheless, if this suggestion is to be followed up — and here I speak with great deference — the Scandinavian countries must decide whether to set up their own common market or whether to join a wider one. In this matter, we can only keep in touch with them and await their decision.

M. Moutet's last question is connected with the statement of my friend M. Gozard. In this case, though the High Authority is indeed within the limits of its competence, as M. Moutet has stated, it must also remain within the limits of caution. How about a grand Ministry of European Energy? What are we to say about the institutional aspects of Euratom and its relationship to the European Coal and Steel Community? Here, the High Authority wishes to remain as cautious as it has been hitherto. Two things may, however, be said :

The first is that, so far as Euratom is concerned, it seems reasonable to look forward to a certain interlocking of institutions, so as to avoid the paradox of two totally exclusive institutions both dealing with energy problems.

As for the question raised by M. Gozard, namely whether there should be more than one Assembly, more than one Court of Justice and more than one executive, perhaps I may be forgiven if I am even more cautious, for the question has been discussed in several national Parliaments, and some Governments seem to have made some headway on this matter, not perhaps in the direction which M. Moutet would like.

I would also recall what I said this morning about traditional forms of energy. The High Authority believes that the recommendations in the report on traditional energy of the Brussels Intergovernmental Committee are reasonable and

practicable. Moreover, if our information is correct, this question is to be discussed today or tomorrow at a meeting of the six Governments now being held in Paris.

Finally, not for the first time in this Assembly, M. Gozard was kind enough to endorse the final point in my statement, concerning the powers which should be vested in a European Commission.

In this matter again I think we should be cautious, but I can at any rate confirm what I said this morning, namely, that we do not believe in the possibility of a genuine common market without an authority responsible for its administration or, at least, for operating the saving clauses. In our view, a common market in which the saving clauses were freely applied by the Governments themselves could never be a genuine common market.

I must leave it at that. I should be happy to think that your Assembly will register not a majority, for it will not be called upon to vote, but a unanimous determination to influence your countries and your national Parliaments in this direction.

That is all I have to say, Mr. Chairman. I would once more thank members of the Consultative Assembly of the Council of Europe and members of the Common Assembly of the European Coal and Steel Community for listening to me with such attention. I hope that my explanations will convince them of our desire to go forward with them on terms of co-operation and trust.

My colleagues and I feel very much at home in this Assembly hall. Do not misunderstand me: I am not saying that we are more at home here because you cannot pass a vote of censure on us, or that we are less at home in the Common Assembly. That was not my meaning at all! I mean that we are glad to have contacts with Members of Parliament from other countries of Europe besides the Community countries, because we feel — as I am sure you all feel —

that in one way or another we are on the eve of an extension and re-inforcement of Europe.

The High Authority and the Community institutions are happy to think that the system which has been operating at Luxembourg since 1952 may have been instrumental in preparing the way. (*Applause.*)

The Chairman. — Mr. President, you fill me with admiration and longing: admiration for the brilliant and incisive way in which you have answered the many questions put to you; longing because, as President of the Consultative Assembly, I cannot help hoping that I, or rather we, may one day have before us a responsible executive which could answer questions in such an authoritative manner as you have done. (*Applause.*) In saying this, I would stress that our Ministers often show much good will in this respect, as we have seen just recently. But, between this situation and the one you have just brought to our attention there is, to my mind, a striking difference, and that is what fills me with longing.

Thank you once again, Mr. President.

Has anyone any further questions to ask M. René Mayer, or are any further explanations desired as a result of his statement?...

The debate is closed.

As you are aware, the sole purpose of this joint meeting is to provide an opportunity for an exchange of views, in accordance with the arrangements mutually agreed between the Bureaux of the two Assemblies, as mentioned this morning at the beginning of our sitting. There will therefore be no vote.

Before I close the Sitting, I should like to record the gratitude of both our Assemblies to all who have played a vital part in our proceedings. Here I would mention in particular the President of the High Authority and M. Paul Struye, who sketched a brilliant outline of the work carried out by

the Common Assembly of the European Coal and Steel Community. I would also mention our friends from the Consultative Assembly: M. De Geer, who spoke on behalf of the Committee on Economic Questions, and Mr. John Edwards, who had to deputise for the absent Rapporteur of the Committee on General Affairs.

To these and all others I would express our warmest thanks.

Does anyone else wish to speak?...

I hereby declare closed the Joint Meeting of the members of the Common Assembly of the European Coal and Steel Community and the members of the Consultative Assembly of the Council of Europe.

The Sitting is closed.

(The Sitting was closed at 6.35 p.m.)