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To the Consultative Assembly on the activities of the Common Assembly from 1st July 1956 to 30th June 1957

Report

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1. INTRODUCTION

1. In these pages the Common Assembly presents its fourth annual report on its activities to the Consultative Assembly of the Council of Europe.

2. The report covers the period 1st July 1956 to 30th June 1957, and the background to it has certain new and somewhat special aspects. In the first place, it is the last to be presented before the transitional period of five years, provided for in the Treaty establishing the European Coal and Steel Community, expires on 10th February 1958. It is also probably the last to be presented by the Common Assembly as at present constituted, since the Rome Treaties which are in process of ratification by the Parliaments of the signatory countries are likely to come into force by the end of the year, and they provide that the European Economic Community, Euratom, and the Coal and Steel Community shall be placed under the control of a single Assembly of 142 members. Lastly, it comes at a time when there are still fears in certain quarters that the advent of six-Power Europe may impede the growth of " Greater Europe ", and when the rationalisation of European assemblies has become an object of general concern.

3. We felt that these circumstances called for something more than a detailed account of the Common Assembly's activities in the year under review. We have given prominence to the progress of the institution in the matter of parliamentary control—and described in broad outline its policy for European construction, while confining ourselves as far as possible to questions of particular interest to the Consultative Assembly.

4. Since it came into being in 1952, the Common Assembly has steadily formed a clearer conception of its duties and perfected the machinery at its disposal. It will not be without interest at this time to survey the position it has reached, which will in fact serve as a starting-point for the single Assembly contemplated in the Rome Treaties for the two new European Communities and E. C. S. C. It is scarcely conceivable that the parliamentary control of the single Assembly should be less effective, at any rate over the High Authority, than is exercised at present. Besides, it would be contrary to the text of the Convention attached to the Treaty which expressly provides for the retention of the powers and control invested in the Common Assembly under the ECSC Treaty.[1]

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1. " Convention relating to certain Institutions common to the European Communities ", Article 2 : " The single Assembly referred to in the preceding article shall, on entering upon its duties, replace the Common Assembly provided for in Article 21 of the Treaty establishing the European Coal and Steel Community. It shall exercise the powers and competence conferred upon the Common Assembly by that Treaty in conformity with the provisions thereof ".
At the opening of the ordinary session of the year 1956-1957 the President, M. Purler, declared : " We must assure the continuation of the political activities of the Common Assembly and safeguard the rights it has acquired through its collaboration with the High Authority ".

5. This survey will also reveal the differences between the Common Assembly and the other European Assemblies and the need to bear these essential factors in mind in considering the problem of re-organising European parliamentary institutions.

6. For a proper appreciation of these differences, however, it should be remembered that the Coal and Steel Community does not yet possess a complete parliamentary system based on an executive derived from a majority of elected representatives. It is true that the High Authority is responsible to the Common Assembly, but its members are appointed by the individual Governments.

7. What constitutes the parliamentary process in the Community is that the Assembly —the elected representatives of public opinion— is able to exert an influence on the ideas and actions of the High Authority. In E. C. S. C, therefore, control by public opinion undoubtedly exists.

8. While this is one of the essential functions of the Common Assembly, its contribution to the building of Europe is of no less importance.

9. The Assembly followed attentively the preparation of the Euratom and Common Market Treaties and, where appropriate, made known to the negotiators its observations. Today, in a positive and constructive spirit, and in the light of the experience gained from the functioning of E. C. S. C.[2] it is giving its unreserved and almost unanimous support to the establishment of the new Communities.

10. This has not caused it to neglect the vital problem of European unity, ft has ignored none of the preoccupations of the representatives of countries outside E. C. S. C. No request addressed to it by the Consultative Assembly has failed to find its way into the agenda of its committees.

11. A close study of these questions has brought the Common Assembly to two conclusions. First, to say that there is any real problem of incompatibility between six-Power Europe and the so-called " Greater Europe " is a misconception, as the Assembly proposes to show. Second, tlie action of the six Member States of E. C. S. C. is manifestly giving an invaluable lead to the others. Example has never been so necessary and acts as a veritable catalyst.

12. For these reasons our report, drawn up in accordance with the provisions of the Treaty for submission to the Consultative Assembly of the Council of Europe, devotes a section to each of the following questions :

12.1. the Common Assembly and the problems confronting the Community;

12.2. the Common Assembly and matters of special interest to the Consultative Assembly of the Council of Europe;

12.3. the Common Assembly and the growth of the parliamentary functions of E. C. S. C.;

12.4. the Common Assembly and European unification.

2. The Common Assembly and the problems confronting the Community

13. Apart from examining as usual the annual General Report on the activities of the Community, the Common Assembly has taken it upon itself over the year 1956-1957 to study a number of problems : the situation of the coal market, concentration, the operation of certain enterprises on the German frontier, the co-ordination of European transport, the creation of works councils within the Six, safety measures in the mines and publicity for the work of the Community. Furthermore, at the request of the High Authority it made known its views with regard to the definition of the general objectives of the Community before these were published.

Situation of the coal market

14. In view of difficulties in supplies to household consumers, the Assembly took up the question, in November 1956, of the situation of the coal market. In an introductory report presented on behalf of the Common Market Committee by its Chairman, M. Alain Poher[3]stress was laid on the persistent shortage of coal and the continually increasing demand, as also on the unequal terms to consumers resulting from the existence of two sources of supply : on the one hand, the cheaper Community coal and, on the other, American coal—more expensive owing to heavy freight charges. Although the crisis revealed a certain sense

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2. This experience is described in the report presented by M. Pierre Wigny on behalf of the Committee on Political Affairs and External Relations under the title " Un témoignage sur la Communauté des Six

3. Introductory report presented by M. A. Poher on behalf of the Common Market Committee on the situation of the coal market and, in particular, on the problem of supply (Doc. n° 4 , 1956-1957).

of solidarity within the Community, with some ECSC countries buying American coal at a very high rate and delivering their own less expensive coal to others in the Community, a shortage nevertheless prevailed which led the Governments and the selling agencies to take measures to regulate and direct distribution. With this system of delivery schedules the question arose whether the market should be organised under the aegis of the High Authority or independently of it.

15. Adopting its Committee's conclusions, the Assembly decided that vigorous action by the High Authority was necessary and that the latter should make appropriate suggestions and recommendation to the trades concerned and the Governments. The Assembly requested the High Authority to invite the Governments to attend a conference with the following agenda :

15.1. co-ordination of economic measures taken or contemplated by individual countries;

15.2. supply of Community coal to household consumers;

15.3. delivery by Community producers on a fair and uniform basis;

15.4. delivery by the trade to household and small industrial consumers;

15.5. creatio n of machinery for péréquation;

15.6. measure s to bring about an increase in short-term production;

15.7. concerte d action in importing Ame-rican coal;

15.8. encouragemen t of measures to effect 1 economies in the use of coal and coke, in both industrial and domestic consumption;

15.9. plan s for concerted action to meet the general demand for power;

15.10. specia l measures for coke supplies.[4]

Concentration

16. The Assembly has studied the problem of concentration in the light of the report drawn up by M. Fayat on behalf of the Common Market Committee.[5]The Committee took up the question of concentration because it is of vital importance to the satisfactory operation of the Common Market and because after the experience of the first few years the Committee thought it wise to define a general policy on the basis of the decisions of the High Authority in the various cases submitted to it and to lay down general principles. Neither the Committee nor, in its turn, the Assembly took the view that concentration is undesirable in itself. " There is no doubt that the reasons for concentration are in most cases economically sound... Nevertheless, these reasons may sometimes lead to a type of merger which is contrary to certain fundamental principles of the Treaty." The problem, then, is to set limits to concentration; it must be kept within human proportions. The Committee drew attention to the danger that vertical coal and steel concentration might result in the disappearance of ordinary commercial coal; taken to its extreme, it would mean that we could no longer speak of a free coal market. As regards horizontal concentration, which up to that time had been limited, the High Authority should encourage it where expedient while not allowing it to reach gigantic dimensions. In conclusion, the Committee requested the High Authority :

16.1. t o apply in a flexible manner the provisions of the Treaty in this matter[6];

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4. Supplementary Report presented by M. Poher on behalf of the Common Market Committee on the situation of the coal market and in particular the problem of supply (Doc. n° 9, 1956-1957)The text of the Resolution is given in the Official Gazelle of the Community of 12-12-1956, p. 400; sec also : Common Assembly debates, sittings of 28th and 29th November 1956.

5. Report presented by M. II. Fayat on behalf of the Common Market Committee on the concentration of enterprises within the Community (Doc. n° 26 , 1956-1957)This report which was discussed during the first part of the ordinary session 1956-1957 was presented to the Assembly by M. Alain Poher who succeeded M. Fayat as Chairman of the Committee when the atter took office as Minister.

6. Paragraph 2 of Article 66, which reads as follows : " The High Authority will grant the authorisation referred to in the preceding paragraph if it finds that the transaction in question will not give to the interested persons or enterprises, as concerns those of the products in question which are subject to its jurisdiction, the power :
— to influence prices, to control or restrain production or marketing, or to impair the maintenance of effective competition in a substantial part of the market for such products; or
— to evade the rules of competition resulting from the application of the present Treaty, particularly by establishing an artificially privileged position involving a material advantage in access to supplies or markets.
In this appreciation, and in accordance with the principle of non-discrimination set forth in sub-paragraph (b) of Article 4, the High Authority will take account of the size of enterprises of the same nature existing in the Community, to the extent it deems justified to avoid or correct the disadvantages resulting from an inequality in the conditions of

16.2. a s far as possible to set limits to be observed;

16.3. t o apply the measures provided for in the Treaty against monopolies[7]

16.4. to co-ordinate its activities on the concentration of industry with its general policy on coal and steel;

16.5. to make more frequent use of the procedure of issuing an opinion[8]After some discussion the Assembly decided to give its opinion later on the substance of a resolution put forward by the Committee[9]

Operating conditions of certain enterprises on the German frontier

17. The special problems of the coal and steel industry in frontier areas of the Federal Republic of Germany have been studied by a fact-finding mission of the Committee on Investment, Financial questions and Production Development. j A report on the mission was presented by M. A. Armengaud[10]on behalf of the Com- j mittee and was discussed by the Assembly[11]This report stated that in spite of the difficulties i in the running of concerns near the Eastern frontier of the Federal Republic, production I had always been at full capacity and the financial situation had remained satisfactory thanks to remarkable technical advances. These enterprises enjoy special freight concession for their raw material supplies. It may be jargued that these concessions constitute discrimination in their favour, but it may equally j well be argued that, owing to the division of ; Germany, these enterprises are at a disadvantage as regards competition with foreign countries and other German enterprises.

Co-ordination of European transport

18. The question of co-ordinating European transport has also claimed the Assembly's attention and was the subject of an interim report drawn up and presented by M. P. J. Kap-teyn[12]The Committee was concerned at the difficulties encountered by the High Authority on the part of Governments over the implementation of the Treaty. Having taken expert advice it reached the conclusion that imperfect co-ordination of transport was causing grave difficulties and impeding progress towards the Community's objectives. In view of the need for an equitable solution to the transport problem, the Committee decided to continue its work.

Equi-representative Committees (Works Councils)

19. In the social field the Assembly has been considering the possibility of setting up equi-representative labour/management committees (works councils) in the Community to deal with safety measures in the mines.

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competition. The High Authority may subject such an authorisation to any conditions which it deems appropriate for the purposes of the present section.
Before taking action on a transaction concerning enterprises of which at least one is not subject to the application of Article 80, the High Authority will request the observations of the interested Government."

7. Paragraph 7 of Article 66 : " To the extent necessary, the High Authority is empowered to address to public or private enterprises which, in law or in fact, have or acquire on the market for one of the products subject to its jurisdiction a dominant position which protects them from effective competition in a substantial part of the Common Market, any recommendations required to prevent the use of such position for purposes contrary to those of the present Treaty. If such recommendations are not fulfilled satisfactorily within a reasonable period, the High Authority will, by decisions taken in consultation with the interested Government and under the sanctions provided for in Articles 58, 59 and 64, fix the prices and conditions of sale to be applied by the enterprise in qucstion, or establish manufacturing or delivery programmes to be executed by it."

8. Treaty, Article 14 :
_ j " In the execution of its responsibilities under tho j present Treaty and in accordance with the provisions ! thereof, tho High Authority shall issuo decisions, ; recommendations and opinions.
Decisions shall be binding in all their details.
Recommendations shall bo binding with respect to the ; objectives which they specify but shall leave to those | to whom they are directed tho dioico of appropriate j means for attaining these objectives.
Opinions shall not he binding.
When the High Authority is empowered to issue a decision, it may limit itself to making a recommendation."

9. Sitting of IGlh May 1957.

10. Report submitted by M. Armengaud, Rapporteur, i on behalf of the Committee on Investment, Financial ! Questions and Production Development on the Committee's fact-finding mission of 14th-19th January . 1957 in the frontier areas of the Federal Republic of i Germany (Doc. n° 33, 195G-1957).

11. Sitting of 25th June 1957.

12. Interim report presented by M. P. J. Kapteyn on behalf of the Transport Committee on the general problem of the co-ordination of European transport (Doc. n° 27, 1956-1957)Discussion, Sitting of 17th May 1957.

20. The Common Assembly is warmly in favour of setting up such committees. It accepts the view of its rapporteur M. Neder-horst[13]the Chairman of the Committee on Social Affairs, that works councils are a potential means of attaining the social aims of the Treaty. For it is by negotiations leading to agreement between both sides of industry that social progress can be achieved. And it is for this reason that it is proposed to set up a central labour/management committee for the industries of the Community. Its members would be appointed by the central workers' and employers' organisations in the six countries and it would be presided over by an independent expert. Its function would be to issue opinions, which would not be binding in effect, with a view to promoting harmonisation of working and living conditions and to bring standards of living throughout the Community into alignment.

21. After noting with regret the employers' opposition to this step and the reservations of the trade unions, the Assembly has asked the High Authority to make greater efforts to bring the two sides of industry closer together[14]

Safety in the mines

22. After the disaster at Marcinelle, the Common Assembly decided, in the course of its Extraordinary Session in November 1956, to set up a " Permanent Committee on Safety and Rescue Work in the Mines[15]This Committee's main functions are to observe the work of the High Authority in this field, to report on it and to see that every possible means is employed to reach the objectives set, this being an urgent task and one in which the High Authority has direct responsibility. In cases of serious mining disasters involving a large number of miners and which it is in the Community's interest to investigate, the Committee has a further duty to meet without delay, to conduct an inquiry and to report to the Assembly.

23. At the first part of the year's Ordinary Session M. Nedcrhorst presented a report to the Assembly, on behalf of this Committee and the Committee on Social Affairs, entitled " The establishment and functions of the permanent body set up by the Special Council of Ministers at its meeting on 10th May 1957[16]The High Authority had obtained an authorisation from the Council of Ministers, after the disaster at Marcinelle, to hold a conference on safety in the mines. The conclusions of this conference were adopted by the High Authority and the Council agreed to act upon them and to set up the permanent body proposed. The Common Assembly has given its support to these proposals and, in particular, to those concerning the powers to be invested in this permanent body. It has further emphasized the need for its early establishment[17]

Publicity for the work of the Community

24. The Assembly has also considered the problem of publicising the work of the Community. In the light of the report of M. Carboni drawn up on behalf of the Committee on Political Affairs and External Relations[18]the Assembly requested the High Authority to make greater efforts to publicise the work of the Community and to devote a section of its General Report to its activities in this fields. At the same time it decided to set up a publicity section in its own Secretariat with the object of making the work of the parliamentary institutions of the Community more widely known[19]

General objectives of the Community

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13. Report presented by M. G. M. Nedorhorst, on behalf of the Committee on Social Affairs, on the establishment, functions and composition of one or more labour[management committees within the Community (Doc. n° 7, 1956-1957).
14. Supplementary Report presented by M. G. M. Nedcrhorst, on behalf of the Committee on Social Affairs, on the establishment, functions and composition of one or more labour/management committees within the Community (Doc. n° 7, 1956-1957).Resolution on tho establishment of one or more labour/management committees within the Community [Official Gazette of the Community of 12-12-1950, p. 402).
15. Report presented by M. Sabass, on behalf of the Social Affairs Committee, on safety measures and rescue work in Community mining concerns (Doc. n° 3, 1956-1957) and Supplementary Report by M. G. Pelster (Doc. n° 6, 1956-1957)Resolution concerning certain aspects of the problem of safety and rescue work in the mines [Official Gazette of the Community of 12-12-1956, p. 399).
16. Doc. n° 28, 1956-1957.
17. Resolution on the establishment and powers of the permanent body for safety and rescue work in the mines, which the Special Council of Ministers decided to set up at its meeting on 10th May 1957 (Official Gazette of the Community of 8-6-1957, p. 254).
18. Report presented by M. E. Carboni on behalf of the Committee on Political Affairs and External Relations of the Community on press relations and publicity in respect of the work and objectives of the Community (Doc. n° 10, 1956-1957)
19. Resolution on publicity for the work of the Community and particularly that of the Common Assembly (Official Gazette of the Community of 11-3-1957, p. 105).

25. It was on its own initiative that the Assembly dealt with the problems we have mentioned so far, but it was at the special request of the High Authority that it studied the preliminary memorandum on the definition of the Community's general objectives and the social aspects thereof.

26. M. de Menthon in his report on behalf of the Committee on Investment[20]said that the Committee hoped the memorandum would have the widest and most positive effects. He drew n distinction between the general objectives, the aim, and the policy to be adopted in order to achieve the desired result and suggested that the general objectives should from time to time be re-defined. The report criticised the viewpoint of the High Authority, which is based on the assumption of an initial period of very rapid economic expansion followed by a marked slowing down; it further criticised the lack of adequate development in the matter of iron ore and stressed the urgent need to intensify technical research. But the main observations of the Committee were directed at the High Authority's attitude with regard to the coal production capacity to be aimed at from 1965 onwards. In the view of the Committee, the problem of coal objectives cannot be taken out of the context of a general power policy. The question is, what proportion of the total resources of power is to be produced by coal in ten or twenty years' time, whether it be home-produced or imported. The Committee's contention is that the choice of policy underlying this question is not brought out clearly in the memorandum. Is the aim to produce the bare minimum of coal which is indispensable from the point of view of productivity? Or is the aim to produce as much coal as possible at an acceptable price, in order to safeguard the economic security of the Community by keeping imports of coal and oil to a minimum? The Committee felt that the High Authority, which chose the second policy, had not stated the position fully enough to enable it to express an opinion, in full knowledge of the facts, on the increase in coal production considered necessary by the High Authority.

27. Acting on the recommendation of its Committee, the Assembly requested the High Authority to reconsider its memorandum; to take steps to see that its general objectives are borne in mind by the steel and mining concerns; to lose no time in framing a general policy for coal and steel; to draw up and submit to it, first, an investment programme, prepared by agreement with the Governments and the concerns, aimed at sinking the pits required for the achievement of its objectives, and, secondly, proposals for the financing of these investments; to put forward practical proposals to speed up the introduction of methods for the most economical use of coal, coke and scrap; and finally to work out schemes for providing the manpower necessary to ensure the level of coal production contemplated. In a resolution, which was adopted unanimously, the Assembly noted with regret that the High Authority and the Governments had not yet met to lay the foundations of a general policy for power, hence the lack of certain elements necessary for a fully satisfactory definition of the general objectives[21]Later on, at the signing of the Rome Treaties, the Governments of the Member States instructed the High Authority to submit proposals to the Special Council of Ministers for a general policy on power.

Social aspects of the general objectives of the Community

28. The Assembly has also studied the social aspects of the High Authority's memorandum on the definition of the general objectives of the Community. A report of the Social Affairs Committee, presented by M. André Mutter[22]centres round the social implications of the term " modernisation " used in the provisions of the Treaty, which lay down that the High Authority shall " periodically work out general programmes with respect to modernisation, the long-term orientation of manufacturing and the expansion of productive capacity ". Is modernisation to be regarded as simply a [question of technical advances and are the ! general objectives to be seen purely from the I angle of increased production? To this twofold question the Committee replied that the conception of general objectives must be j widened to include a general social policy and i that this was more of a moral duty than a simple question of necessity. Moreover, in their activities, and I therefore in the definition of general objectives, the Institutions of the Community must bear in mind Article 3 of the Treaty, which provides that they shall promote the improvement of the living and working conditions of the labour force in the coal and steel industries so as to make possible the equalisation of such conditions in an upward direction. j From this it would seem inconceivable ' to set any general economic objectives without j at the same time framing a general social policy. The report divides the various aspects of living and working conditions into two categories. As regards those in the first : , wages, social security, working hours and I regular employment and vocational training, I the High Authority cannot take direct action; it is, however, in a

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20. Reported presented by M. F. de Menthon, on behalf of the Committee on Investment, Financial Questions and Production Development, on the general objectives of the Community (Doc. n° 12, 1956-1957and Supplementary Report, Doc. n° 19).

21. Resolution on the general objectives (Official Gazette of the Community, 11-3-1957, p. 106).

22. Report presented by M. A. Mutter on behalf of the Social Affairs Committee on the social aspects of the High Authority's memorandum on the definition of the general objectives (Doc. n° 11, 1956-1957).

position to bring indirect pressure to bear by collecting and publishing information. Into the second category fall those where direct action is possible : human relations, welfare services within enterprises and the association of workers with production planning. Here useful action is both possible and desirable.

29. After discussing this report, the Assembly adopted a resolution requesting the High Authority to draw up a memorandum with the aid of its Social Affairs Committee, on the appropriate means of achieving the social objectives set by the Treaty[23]

The activities of the Community

30. The fifth General Report on the activities of the Community was discussed by the Common Assembly at a public sitting in accordance with the procedure adopted the previous year, that is to say the General Report was discussed as a whole during the first part of the Ordinary Session and chapter by chapter during the second part of the Session.

31. The discussion of the General Report as a whole gave the various bodies of opinion represented in the Assembly an opportunity for a critical appraisal of the High Authority's policy. After the introductory remarks made by the President, M. René Mayer, many questions were raised. They were concerned with development of trade, prices and their formation, cartels, the social field, the amount of the levy, steel policy, coal stocks, investments, technical research, competition and, finally, the High Authority's interpretation of its task.

32. The detailed study of the General Report dealt with finances of the Community, the long-term development of the Common Market, the operation and structure of the Common Market, the problem of coal prices, living and working conditions, safety in the Community mines, transport and external relations.

The Community's accounts

33. With regard to the accounts of the Institutions of the Community, the Assembly, as recommended by M. Blank, Rapporteur[24]expressed the desire that all the institutions should further curtail their administrative expenditure so that the funds produced by the levy should be to the greatest extent possible devoted to the essential aims of the Treaty.

34. The Assembly, as recommended by M. Kreyssig, Rapporteur of the Accounts and Administration Committee[25]asked its Chairman to suggest to the Four Presidents Committee that it should study ways and means of reducing to reasonable proportions the Auditor's Report, which in accordance with the Treaty is submitted to the Assembly and thus to public opinion without prejudice to the independence of the Auditor.

Financial Operations of the Community

35. A third Report, submitted on behalf of the same Committee by M. Chariot[26]made a general survey of the Community's financial operations and, in particular, of the ' budget' set out by the High Authority as a supplement to the Fifth General Report. In adopting the Rapporteur's conclusions, the Assembly expressed its satisfaction at the introduction of estimates of expenditure in the form of a budget and at the proposals for appropriations. The Assembly further stated that it had studied with interest the policy of the High Authority regarding the investment of the Community's funds and expressed the hope that the High Authority's expenditure on administration would be kept at a stable level, requesting the High Authority, at the same time, to avoid all duplication of studies or inquiries[27]

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23. Resolution on the social aspects of the High Autho- t rity's Memorandum on the definition of the general i objectives. (Official Gazette of the Community, 11th March 1957, page 106) and Supplementary llcport 1 presented on behalf of the Social Allah's Committee on ' the social aspects of the High Authority's Memorandum.

24. Report presented on behalf of the Accounts and Administration Committee of the Community and of the Common Assembly with regard to the accounts of the four institutions of the Community for the fourth year (1st July 1955 to 30th June 1956) and to the halfyearly reports of the four institutions of the Community . on their administrative expenditure in the course of the first half of the Financial Year 1956-1957 (1st July 1956 to 31st December 1956) and, further, on developments in the financial situation of the Community over its fourth year (1st July 1955 to 30th June 1956), (Doc. n° 31, 1956-1957).

25. Report presented by M. Gerhard Kreyssig on behalf of the Accounts and Administration Committee of the Community and of the Common Assembly on the Fourth Auditor's Report (Financial Year from 1st July 1955 to 30th June 1956), (Doc. n° 30, 1956-1957)and Resolution adopted at the Sitting of 24th June 1957.

26. Report prepared on behalf of the Accounts and Administration Committee of the Community and the Common Assembly on the estimates of administrative expenditure and on the Community's Budget for the sixth Financial Year (1957-1958) by M. Jean Chariot, Rapporteur (Doc. n° 36, 1956-1957).

27. Resolution adopted unanimously on 24th June 1957.

36. In this connection, it may also be noted that, at an Extraordinary Session held for the purpose, the Common Assembly adopted the estimates for administrative expenditure contained in M. Janssen's Report.[28]

The Common Market

37. There are three reports dealing with the Common Market. The first of them, by M. Pohle, deals with its operation and structure[29]the second by M. F. de Menthon, deals with the long-term development of the Market[30]while the third, by M. Armengaud, deals with coal prices[31]

38. With regard to the operation and structure of the Common Market, the Assembly expresses satisfaction at the inclusion in the General Report of an introductory political section in which the short-term and the long-term problems arising in connection with the Market are discussed. The Assembly's attitude with regard to other questions is as follows :

38.1. It approves the action taken by the High Authority in the matter of coal supplies, in particular the drawing up of delivery schedules and the stabilisation of imports;

38.2. It invites the High Authority to follow attentively the reorganisation of sales methods in the Ruhr, the amendment of trade regulations and the settlement of the problems arising concerning the Oberrheinische Kohlenunion and the Association Technique de V Importation Charbonnière;

38.3. The Assembly notes the importance of the problems of scrap, the utilisation of coal, coke and scrap, the import of iron ore and the position of the independent rolling mills;

38.4. It draws the attention of the High Authority to the halt in the expansion of trade in coal and steel products between members of the Community;

38.5. It emphasises that the rise in the price of steel products and the reasons for this trend should be a matter of concern to the High Authority;

38.6. It points out the necessity for making real ! progress, before the end of the transition | period, towards the integration of certain Belgian coalfields in the Common Market;

38.7. Finally, it urges the need for better cooperation between the Governments and the High Authority, and for the adoption of a common economic policy[32]

Investments

39. The problems of investment and expansion are referred to in an Assembly Resolution expressing satisfaction at the progress made by the High Authority towards defining its General Objectives, framing a coal policy and making provision for the financing of j technical research. The Assembly also wel- | comes the step taken by the Governments in inviting the High Authority to put forward preliminary proposals for an overall policy for energy. The Resolution also calls on the High Authority to define precisely the importance of its General Objectives; to study more closely the movement of prices for ECSC coke, imported coal and oil; to examine the best means of reconciling the flexible price policy required by the economic situation with the structure of the coal industry and the necessity for a long-term development policy; to consider the policy laid down in the General Report in the matter of laying up stocks and to keep the Assembly informed of any commitments arising from long-term import contracts; to promote co-ordination of the Governments' trade policies in respect of coal imports and to see whether other sources of supply may not help to meet the Community's requirements. After noting with regret that coal production still fell short of the full extraction

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28. Report prepared on behalf of the Community and Common Assembly's Accounts and Administration Committee, containing a draft statement by SI. Janssen, Rapporteur, of the estimates of expenditure of the Common Assembly for the Financial Year (Doc. n° 20, 1956-1957)3rd Extraordinary Session, 13th May 1957.

29. Report prepared on behalf of the Common Market Committee on the operation and structure of the Common Market (Part Two of the Fifth General Report on the Activities of the Community, 9th April 1956-13th April 1957) by M. Wolfgang Pohle, Rapporteur Doc. n° 37, 1956-1957).

30. Report prepared on behalf of the Committee on Investment, Financial Questions and Production Development on the long-term development of the Common Market (Part Four of the Fifth Report on the General Activities of the Community, 9th April 1956-13th April 1957, Chapters XII, XIII, XIV and XVI) by M. François de Menthon, Rapporteur (Doc. n° 32, 1956-1957).

31. Report on coal prices prepared on behalf of the Committee on Investment, Financial Questions and Production Development and draft ResolutionDoc. n° 17 (1956-1957) by M. André Armengaud, Rapporteur(Doc. n° 34, 1956-1957).

32. Additional Report, prepared on behalf of the | Common Market Committee, on the operation and ! structure of the Market, by M. W. Pohle, (Doc. n° 43, 1956-1957). The text of the Resolution will be found I in the Minutes of the Assembly Sitting of 28th June 1957.

potential and emphasising the serious nature of the problems of productivity and the supply of underground workers, the Assembly urges the High Authority in conjunction with the Governments to deal with the problems arising in the opening of new mines. The Assembly welcomes the first signs of a balance being established between the relative capacity of the various stages of production in the steel industry, and invites the High Authority to encourage investments in that industry likely to result in economies in the use of coke and scrap, and in a reduction of cost prices. The Assembly is glad to note the success of the loan floated by the High Authority on the American capital market and expresses the hope that the latter will be able to float similar loans in the near future. The Assembly notes with regret the legal position adopted by the High Authority in regard to a request for a guarantee submitted by an undertaking in the Community[33]Finally, the Assembly expresses its regret that the General Report should have so little to say about technical research and invites the High Authority to speed up the work of normalisation[34]

Coal Prices

40. Turning to the question of coal prices, the Common Assembly, considering as it does that this is one of the most important aspects of coal policy, adopted a Resolution inviting the High Authority to organise a study of the charges borne by the coalfields, the factors entering into prime costs, the formation and level of pithead prices and of prices to industrial and domestic consumers, and finally the use made of profits and the methods of covering losses in the coal fields of the Community, of Great Britain and of the United States. The Assembly hopes that its appropriate Committees will have the opportunity to examine jointly with the High Authority the conclusions to be drawn from these studies[35]

Living and Working Conditions in the Community

41. Living and working conditions in the Community were the subject of a Report submitted by M. Lenz on behalf of the Committee on Social Problems[36]Following its discussion of this Report and of the supplementary Report submitted by M. Bertrand[37]the Common Assembly adopted a Resolution on social development in the Community, the High Authority's activities in the social sphere and its general social policy[38]

42. With regard to social development in the Community, the Assembly welcomes the more active steps taken by the High Authority towards a solution of certain social problems, and the fact that it has undertaken a comparative study of real wages and working conditions in the Community's industries. The Assembly points out, nevertheless, that it is not in a position to assess what advantages the workers have derived from integration unless it has comparative figures showing what developments have taken place in standards of living and working conditions in other economic sectors. The Assembly also emphasises the urgent necessity of drawing up a Miners' Code for the Community under which special advantages will accrue to the members of the mining community.

43. Again with reference to the social work of the High Authority, the Assembly emphasises the need for a housing policy to remedy the present shortage, to do away with hutment dwellings and provide the workers with suitable accommodation. The Assembly regrets that full advantage has not been taken of the present boom conditions to press forward schemes for conversion and re-adaptation and hopes that the local authorities will have a part to play in re-adaptation. It points out to the High Authority that the free movement of manpower involves problems of adaptation to new places of employment. The Assembly hopes to see the early implementation of the multilateral agreement on social security arrangements for migrant workers, adopted in principle by the Council of Ministers, and points out that, in its view, this agreement should apply not only to workers from outside countries who have found employment in the Community, but also to stateless and refugee workers. The Assembly asks the High Authority to use its good offices to induce both

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33. Under the terms of Article 54 of the Treaty: "The High Authority may facilitate the carrying out of investment programmes by granting loans to enterprises or by giving its guarantee to loans which they may have obtained elsewhere."

34. Report, prepared on behalf of the Committee on Investment, Financial Questions and Production Development, to supplement the Reports by M. de Menthon (Doc. n° 32, 1956-1957)and M. Armengaud (Doc. n° 33,1956-1957)on investment and long-term production development (Doc. n° 45) For the terms of the Resolution see the Minutes of the Assembly Sitting of 28th June 1957.

35. Resolution adopted on 27th June 1957.

36. A Report, prepared on behalf of the Committee on Social Problems, on living and working conditions in the Community (Part Three of the Fifth General Report on the Activities of the Community, 9th April 1956-13th April 1957) by M. Alovs-Michaël Lenz, Rapporteur(Doc. n° 35, 1956-1957).

37. Supplementary Report, prepared on behalf of the Committee on Social problems, on living and working conditions in the Community by M. Bertrand (Doc. n° 41, 1956-1957).

38. Resolution adopted by the Assembly on the 28th Juno 1957.

sides of the industries to agree to the setting up of joint labour/management councils. The Assembly also asks the High Authority to take full account of the human factor in industrial safety and to intensify its medical research work.

44. The Assembly considers that, although the Fifth General Report gives a broad outline of the social objectives of the Community, it is, nevertheless, important to specify as soon as possible what social improvements it is hoped to bring about in the course of the next fifteen years. Lastly, the Assembly invites the High Authority to keep a close watch on developments in automation and to ensure adequate arrangements for laying up stocks with a view to maintaining a stable level of employment, and also to inform it of the conclusions of the studies concerning relationships between wage-structures and wage-levels on the one hand and output and productivity on the other.

Safety arrangements in the mines

45. The problems of safety and rescue arrangements in the mines were dealt with in a report by M. Bertrand[39]Adopting the conclusions of its Rapporteur, the Assembly invites the Special Council of Ministers to be in attendance at the Extraordinary Session of the Assembly to be held in Rome in November 1957 so as to provide it with all available information on the subject. It also requests the Council to lose no time in setting up the permanent body proposed by the Conference on Safety in Coalmines, such a body to be given the powers laid down in the conclusions of the Conference and in the suggestions made by the competent Committee of the Assembly. The Assembly also expresses a wish to receive copies of the Annual Report of this permanent body. Without waiting for it to be set up, however, it invites the Governments to arrange for the immediate application of the measures laid down at the Conference, and recommends the High Authority to continue to press for the summoning of a second Conference to examine safety arrangements in iron mines and the steel industry[40]

Transport

46. The question of transport was dealt with in a Report by M. Kapteyn[41]Following its discussion of this and the Supplementary Report[42]the Assembly once more emphasises the need for a common transport policy in the Community countries. It reserves the right to return to the question of transport in E. C. S. C. in the wider context of the general co-ordination of transport. The Assembly welcomes the progress made by the High Authority in the compilation of transport statistics, as also in its work on the disparities between inland water-transport rates and expresses the hope that the Governments will shortly reach agreement on this question so that a Convention on the subject may be put into effect without delay. The Assembly also calls for the following :

> *fulfilment of the undertaking that a draft Convention on road transport should be drawn up by 15th October 1957;*
>
> *the publication of tariffs, freight rates and conditions for road and water as well as rail transport;*
>
> *the conclusion, at as early a date as possible, of the examination undertaken by the High Authority of special rates, in particular of supporting and competitive rates as applied to coal transport;*
>
> *an improvement in the situation arising from the application of Articles 127 and 257 of the French Customs Code which results in the payment of customs duties on French steel products consigned in transit through Rotterdam and Amsterdam to the French Atlantic coast, as though the products in question had come from an outside country*[43]

External Relations of the Community

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39. Report, prepared on behalf of the Committee on Safety and Rescue Arrangements in the Mines, on the parts of the Fifth General Report on the Activities of the Community (9th April 1956-13th April 1957) dealing with safety and rescue arrangements in the mines, by M. Alfred Rertrand, Rapporteur (Doc. n° 38, 1956-1957) Supplementary Report by the same Rapporteur (Doc. n° 44).
40. Resolution adopted at the Assembly Sitting of 28th June 1957.
41. Report, prepared on behalf of the Transport Committee, on transport inside the Community and on paragraphs 5 and 137-147 of the Fifth General Report on the Activities of the Community (9th April 1956 to 13th April 1957) by M. Paul Kapteyn, Rapporteur (Doc. n° 39,1956-1957).
42. Supplementary Report by M. Kapteyn (Doc. n° 42).
43. Resolution adopted by the Assembly at its Sitting on 28th June 1957.

47. The external relations of the Community were the subject of a Report by M. Rene Pleven[44]The Assembly, in adopting the conclusions of the Rapporteur, expresses its pleasure at the very satisfactory progress made by the High Authority in connection with external relations and invites the High Authority to lay before the six Governments proposals for :

a. the negotiation of a free trade agreement between the countries of the Community and the United Kingdom, which should in any event be applicable with the minimum of delay to coal, scrap and steel;

b. the negotiation of a free trade agreement of a similar type and covering the same products with the other OEEC countries. With the same object in view, the Assembly invites the Governments of member countries of the Community to arrange for participation by the High Authority in the OEEC Working Party set up to consider the creation of a free trade area linked to the Common Market[45]The Assembly also invites the High Authority to propose to the Council of Ministers that permanent links should be established between itself and all competent authorities in the area embraced by the Community, in each of the six countries and in outside countries, in the matter of sources of energy other than coal; it further invites the High Authority to keep it informed of progress made in this direction. With regard to the dissemination of information, the Assembly requests the High Authority to continue its efforts to bring home to the public the peaceful objectives of the Community, not necessarily excluding the peoples of Eastern Europe[46]

48. To complete this survey of the Common Assembly's activities in connection with coal and steei, there are certain other points which call for mention. In the first place, the Assembly's Committees have begun, each with reference to its own sphere of competence, an examination of possible modifications to be made to the ECSC Treaty. In the second place, mention must be made of the Report by M. Wigny entitled " Un Témoignage sur la Communauté des Six "[47]issued on behalf of the Community's Committee on Political Affairs and External Relations.

49. On the constitutional side, it should be noted that the Treaty was amended following the settlement of the Saar question. Modification was to Article 21 of the Treaty, the last sub-paragraph of which was deleted[48]The effect is that the eighteen members of the French Parliament appointed to the Common Assembly no longer include, as heretofore, three representatives of the Saar population.

50. During the Ordinary Session held in June 1957 a number of Representatives urged the need for closer relations between the Common Assembly and the Special Council of Ministers[49]The Council was asked to attend in full strength the Session of the Assembly to be held in Rome next November, in order to be at the Assembly's disposal for information relevant to the discussion on the Reports by the appropriate Committees concerning the Final Report of the Conference on Safety in Coalmines[50]

3. The Common Assembly and matters of particular interest to the Consultative Assembly of the Council of Europe

51. The Consultative Assembly of the Council of Europe as a whole, as well as certain of its members individually, have indicated the aspects of E. C. S. C's activities that they find of special interest. The Common Assembly has decided to devote a special chapter to these in the Annual Report on its activities. In preparation for this, a list of wishes expressed either in Resolutions of the Consultative Assembly or in speeches by individual members was drawn up and referred to the appropriate Committees of the Common Assembly. The Assembly of the Council of Europe will no doubt also be pleased to learn that the Sub-Committee on Trade Policy provided for in the Resolution of 14th February 1957[51]was set up by the Common Assembly on 14th May 1957.

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44. Report, prepared on behalf of the Community's Committee on Political Affairs and External Relations, on the External Relations of the Community (Chapters II and III of the 5th General Report, on the Activities of the Community (9th April 1956-13th April 1957), by M. René Pleven, Rapporteur (Doc. n° 40, 1956-1957).
45. The High Authority and the Council of Ministers have since begun to examine the question of including the Coal and Steel Community in the free trade area.
46. Resolution adopted by the Assembly on 27th June 1957
47. A precis of this Report will he found in the chapter of the present Report entitled : " Development of the parliamentary character of the E. C. S. C.
48. This sub-paragraph ran as follows : " The representatives of the people of the Saar are included in the number of delegates allotted to France."
49. See, in particular, the statement made before the Assembly on 25th June 1957 by M. Rey, Acting Chairman of the Special Council of Ministers, speaking in his private capacity.
50. Resolution on safety and rescue arrangements in coalmines adopted by the Assembly on 28th June 1957.

52. The subjects of special interest referred to above include, on the one hand, general questions of co-operation between E. C. S. C. and the Council of Europe and relations between E. C. S. C. and outside countries; on the other hand, they include more detailed questions of co-operation between the High Authority and the six Governments, the framing of a body of European political doctrine, the position of the workers, production, the coal and steel trade, including prices, and the harmonisation of import duties levied by the Community on goods coming under its jurisdiction.

Co-operation between E. C. S. C. and the Council of Europe

53. The Consultative Assembly considers that co-operation between E. C. S. C. and the Council of Europe should take the form of joint examination by the two Assemblies or by the appropriate Committees of such questions as framing a body of social legislation, establishing relations between the European Assemblies and the national parliaments and, finally, the scheme for association between the Common Assembly and the British Parliament.

54. The Committees of the Common Assembly have always favoured joint meetings with their counterparts in the Consultative Assembly whenever the latter desired such meetings. The Common Assembly's Committee on Social Problems held a joint meeting in Luxembourg on 15th April 1957 with the Council of Europe's Sub-Committee on the effects on local government administration of European Communities. The Committee on Social Problems has also had preliminary discussions with the Consultative Assembly's Social Committee in preparation for a joint meeting to discuss various questions of common interest.

55. The Consultative Assembly has rightly stated that, if a body of European social legislation is to be drawn up, it is essential that the views of the Six and of the Fifteen should be co-ordinated. It should be noted that, with regard to the question of the direct responsibility of E. C. S. C. in the matter of social legislation, the Common Assembly's Committee on Social Problems did no more than point to the problem in its study on the extension of the Community's powers in the social field. The Committee wondered whether E. C. S. C. had not a certain responsibility in the matter of European social legislation and, in particular, the fixing of hours of work, social insurance, paid holidays, etc. Article 2 of the Treaty lays upon the Community the task of contributing to the development of employment and the improvement of the standard of living in its Member States. Article 2 does not limit these objectives to workers in the Community's own industries; Article 3 (e), on the other hand, does so limit them.

56. As to the question of co-operation between the European Assemblies and the national parliaments, the Consultative Assembly would like to see a joint meeting between its own and the Common Assembly's competent Committees to discuss initial proposals on the methods to be followed and the success which given methods may be found to have had in practice. The Common Assembly has so far taken no practical steps in this field. It has, nevertheless, shown keen interest in the preliminary conclusions reached by the Consultative Assembly's Working Party on the subject. It is recalled that members of the Common Assembly have intervened in their own national parliaments in support of the action taken by the High Authority in connection with transport and to draw attention to various social problems that have been debated in the Assembly.

57. The Assembly of the Council of Europe has always followed with close attention the question of relations between the Common Assembly and the British Parliament. In Resolution 103 (1956) it recalled the suggestions made the previous year : " I t 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 representatives of the Common Assembly in a sort of Sub-Committee of the Joint Meeting. The Consultative Assembly's proposal also suggested that this body could be responsible for considering the General Report of the Council of Association, and, while the Common Assembly would like (as indicated in paragraph 59 of the Common Assembly Report) to examine the Report of the Council of Administration at the same time as it examined the General Report, this need not prevent a further separate examination of the Report of the Council of

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51. Resolution on the creation of a temporary Subcommittee on Trade Policy :
" The Common Assembly,
In view of the importance of trade policy for the development of the Community;
Considering that problems of external trade at present come within the competence of two Committees, the Common Market Committee and the Committee on Political Affairs and External Relations,
Decides to sot up a temporary Sub-Committee on trade policy, composed of six members from each of the two Committees, that will be responsible for examining all questions of trade policy, in particular, trade relations with outside countries, the import and export of products covered by the Treaty, Customs problems and Chapter X of the Treaty;
Invites the Common Market Committee and the Committee on Political Affairs and External Relations each to designate six of their own Members to sit on the temporary Sub-Committee on trade policy." (Minutes of the Sitting of 14th February 1957. Official Gazelle of the Community, 11-3-1957, page 102.)

Association at a special meeting of the Assembly, with specific British parliamentary representation, in the manner of the Consultative Assembly's proposal. The Consultative Assembly would be glad to have the Common Assembly's further reaction to this."

58. The Common Assembly follows with interest the work of the Council of Association and welcomes the appearance of the latter's first Annual Report. It will be remembered that the Council of Association found itself unable to accept the Common Assembly's proposal to set up a Joint Committee composed of nine of its own members and nine members of the British Parliament.[52] The Assembly has, nevertheless, announced its intention of bringing the proposal up again at a suitable moment. The Council of Association furthermore " expressed satisfaction with the contacts already existing in the Consultative Assembly of the Council of Europe and through the joint meetings of the Common and Consultative Assemblies, betwen British M. P.s and those of member countries of the Community."[53]

Relations between E. C. S. C. and « third countries »

59. Relations between E. C. S. C. and other countries have been conducted by the High Authority in accordance with the desire repeatedly expressed by the Common Assembly : that the E. C. S. C. should not be a closed community. Though there is cause to regret that it still numbers only six countries, the Community can nevertheless congratulate itself on numerous agreements concluded with other countries.

60. As the Fifth General Report on the Activities of the Community deals in detail with its external relations, in order to avoid repetition the present report will contain only a brief note of successes and failures.

61. The agreements concluded are either Association Agreements, Consultation Agreements, International Transport Agreements or Tariff Agreements.

62. The Agreement on relations between the United Kingdom of Great Britain and Northern Ireland and the European Coal and Steel Community came into force on 23rd September 1955. It set up a permanent Council of Association between the British Government and the High Authority. The Council's First Report on its first year's work, or more precisely the period from 17th November 1955 to 31st December 1956, has been submitted to the members of the Common Assembly. The Assembly feels that there is much ground for satisfaction in the results so far achieved. An agreement has been reached on coal which has done away with the supply difficulties experienced by consumers in the Community. Of even greater value is the study undertaken by the Council in connection with the negotiations for the harmonisation of British and Community Customs duties. Useful work has also been done on a comparative study of British and Community long-term production and consumption estimates for coal and steel. It is sufficient to recall here the Resolution recently adopted by the Common Assembly on converting the Agreement of Association into a Free Trade Agreement, since fuller details are given in the preceding chapter.

63. A Consultation Agreement was signed with Switzerland on 7th May 1956 and is now in force.

64. A further agreement has also been concluded with Switzerland for the introduction of international through-rates for coal and steel in transit through Switzerland. A similar agreement is in process of negotiation with Austria.

65. The Community has concluded two tariff agreements within the framework of G. A. T. T., one on 8th May 1956 with Austria and the other on 11th April 1956 with the United States.

66. Unfortunately, it has proved impossible to conclude any agreements with the Scandinavian States. The Assembly views with considerable concern several complaints made by outside countries, more particularly ScandinaA'ia, regarding the Community's export prices. The competent Committees point out, however, that the attention of outside countries might well be drawn to the fact that it is unreasonable for them to expect to purchase Community products on the same terms as those offered to members of the Community, seeing that any advantages enjoyed by the members have, as their counterpai't, certain obligations to be met in cases of emergency or shortage which do not fall upon outside countries.

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52. Resolution adopted by the Common Assembly on 21st June 1956, following the debate on the Report presented by M. Struye.

53. First Annual Report of the Council of Association between the United Kingdom Government and the High Authority of the European Coal and Steel Community, 17th November 1955 to 31st December 1956, page 20.

67. No description of the Community's external relations would be complete without a reference to the success of the High Authority in floating loans on outside markets during the 1956-1957 financial year; that is, the 50 million Swiss francs loan floated in Switzerland and the 35 million dollar loan floated in the United States.

68. The Common Assembly has devoted particular attention to the relations between E. C. S. C. and G. A. T. T. It has noted with pleasure the conclusions reached by the Contracting Parties to the General Agreement, at the Session held at Geneva from 11th October to 17th November 1956, following their examination of the Fourth Annual Report submitted by the Six and the supplementary statement submitted by the High Authority.

69. Briefly, these conclusions were as follows :

69.1. The actions so far taken to complete the establishment of the Common Market were consistent with the terms of waiver;

69.2. There was a shortage of scrap in all steel-producing countries, and a large proportion of the Community's requirements would have to be met by imports from third countries;

69.3. The reduction in the Community's exports of coking coal to Austria was explainable by the fact that this product was in short supply in all the Community countries;

69.4. The present coking capacity of the Community was barely sufficient to meet current requirements for domestic consumption and export; the steps taken to increase coking capacity could not be expected to yield appreciable results for some years yet;

69.5. The export prices for coal charged by the Community were difficult to compare as they varied with each contract; its export prices for steel were, except in the case of certain products, lower than those charged by other countries, including the main exporters (the United States and the United Kingdom).

70. The undertaking given by the Six to submit an Annual Report to G. A. T. T. on the measures they had taken to give full effect to the Treaty expires at the end of the transition period, that is, on 10th February 1958.

71. The Consultative Assembly has already drawn attention to the important inter-relation-between the Community's long-term investment and production programmes and those of the other European countries and the hopes expressed that an exchange of views may take place on this question between the countries concerned. The Common Assembly's Committee on Investment, Financial Questions and Production Development is strongly in favour of the investment programmes of members of the Community being collated with those of outside countries. An exchange of views took place in the Council of Association between the United Kingdom and E. C. S. C. on investment in the coal industry, including mining centres, coking plants and patent fuel plants[54]

72. The Consultative Assembly has also expressed the hope that there will be no " weakening of economic ties with non-member countries and that the supply of coal, steel and scrap to such outside countries will not suffer unreasonably from shortages arising within the Common Market". The Common Assembly's Committee on Political Affairs and External Relations had hoped to make a survey of trends in the Community's external trade. But, for lack of the necessary statistical information and, since no analysis of foreign trade statistics for 1956 with a comparable nomenclature could be got out before the autumn of 1957, the Committee has had to restrict itself to comparing the Community's steel exports with those of the United Kingdom[55]This comparison shows that, in 1956, exports of steel products to outside countries by the Community were 3.9 times higher than those of the United Kingdom and that, between 1952 and 1956, they rose by 45 % compared with 42 % in the case of the United Kingdom. During the same period, the United Kingdom's exports to the United States, Western Europe and the other European countries outside the Community showed a larger increase than those of the Community. The opposite was, however, the case for exports to the rest of the world.

73. The Consultative Assembly, as already mentioned, also stated that it was interested in certain other more specific questions.

Co-operation between the High Authority and the Governments of the six member countries

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54. First Annual Report of the Council of Association, page 19.

55. cf. table s appended to the Report prepared on behalf of the Community's Committee on Political Affairs and External Relations by M. René Pleven, ; Rapporteur (Chapters II and III of the Fifth General] Report on the Activities of the Community, 9th April j 1956-13th April 1957). I cf. als o the Annex to Fifth General Report on the I Activities of the Community.

74. The first of these concerns co-operation between the High Authority and the Governments of the Six which constitutes one of the most serious problems facing the E. C. S. C. The progress made by the Common Market has revealed the need for joint action and the framing of common programmes, quite apart from the co-operation in matters of coal and steel provided for by the Treaty. The need is particularly apparent in connection with the harmonisation of customs tariffs on imports from the outside world, the co-ordination of economic policy and the question of safety arrangements in the mines. It was this that led the six Governments, in their Resolution of 25th March 1957, to ask the High Authority to submit proposals to the Special Council of Ministers for a co-ordinated policy for energy. The Common Assembly has also urged the need for an even greater degree of co-operation, more especially in the co-ordination of transport and in the social field[56]

European political doctrines

75. Another matter of interest to the Consultative Assembly is the way in which European political doctrines are taking shape in the Common Assembly. Without going so far as to define these doctrines or speak for the official exponents of this or that view, it may be permissible to point out certain trends apparent from the growing number of statements made on behalf of political parties in open session.

76. Shortly after the Common Assembly was set up, three political groups emerged. These were the Christian Democrat Group, the Socialist Group and the Liberal Group and they gathered together members of the Assembly, without distinction of nationality, according to their political affiliations. On 16th June 1953 the Common Assembly added to its Rules of Procedure a provision concerning the status of these Groups.

77. All members of the Groups, Christian Democrats, Socialists and Liberals, have always been united in the view that the essential objective of the Community is to raise the standard of living of the workers and bring about an improvement in their living and working conditions. Naturally enough, the three Groups differ as to the best means of achieving this.

78. An example of their divergent views is provided by the debate in November 1956 on the situation of the coal market. The three points of view below were put forward with regard to the coal problem as a whole, i.e. supplies for domestic consumption, coal prices, distribution arrangements, coal stocks, imports, recruitment of manpower and investment.

79. The whole Assembly considered that the High Authority should use every means open to it under the Treaty of carrying out its tasks; it should take the initiative and act in the political field. It should be both the linch-pin and mainspring of integration. At decisive moments, it should refer to the Assembly and inform public opinion of any delaying tactics on the part of Member States or limitations of the Treaty which prevented the Community from carrying out its work[57]The inadequacy of the High Authority's powers was no excuse for inaction.

80. Some members of the Assembly appeared to hold the view that the greatest obstacle encountered by the High Authority in carrying out the objectives of the Treaty had been the limitations written into the Treaty itself. The Treaty needed supplementing to render its provisions more categoric.

81. A third viewpoint was that in addition to production and import plans, any coal policy today should include plans for a more economic and rational use of existing resources.

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56. Resolution on the operation and structure of the Common Market, adopted on 28th June 1957;
"The Assembly...
Urges the need for improved co-operation between the High Authority and the Governments and emphasises that a first condition for such co-operation is that Governments abstain from exerting unilateral influence in spheres appertaining to the High Authority, especially that of price-formation;
Considers it essential that, despite differences of economic structure, the High Authority and the Governments frame a co-ordinated economic policy and regrets that no such co-ordination should so far have been achieved by the Council of Ministers."
Resolution on investment and the development of long-term production of 28th June 1957 :
" The Assembly...
Requests the High Authority to promote the co-ordination of the respective trade policies of the Governments on coal imports;
Invites the High Authority, in collaboration with Governments, to lose no time in reaching the joint decisions required for financing the opening of new pits; "

57. This point of view was put forward by M. Deist on behalf of the Socialist Group during the November 1956 debate on the coal market situation. The Socialists stated on that occasion that they regarded the question of coal supplies as a test-case for the High Authority.

82. All three groups in the Assembly recognised that, from the political point of view, official proclamation of a coal shortage would be highly inexpedient at the present stage since its effect would be, under the Treaty, to hand back to the Governments a large part of the High Authority's sphere of action. All three Groups expressed the wish that when taking action, the High Authority should keep constantly in view the need for strengthening the Community and avoiding anything likely to halt the progress of integration[58]

83. The High Authority's definition of the ¡ Community's General Objectives was another ! occasion for the political groups to air their respectivo views[59]Although the High Authority's Memorandum satisfied those who considered it heavily handicapped by t h e absence of complete integration, which made it well-nigh impossible for the High Authority to define its General Objectives and a coal and steel policy, other representatives held that the Community was there to serve the economy of the Member States and not the coal and steel industries. On this view, the High Authority's coal and steel policies ought to be framed in collaboration with t h e countries concerned. The General Objectives would only become of practical value once the High Authority had succeeded in specifying the methods whereby firms could achieve them. The upholders of the third point of view made a distinction between economic problems and structural problems, maintaining t h a t the General Objectives should only cover the second. According to this view, the General Objectives were merely guiding lines j and, before reaching specific decisions, the High Authority should consult the Governments. The Objectives relating to coal were only intelligible in t h e framework of a common policy of the Six in matters of power.

84. The recent reduction in the rate of t he levy was approved by those who considered t h a t the Guarantee and Re-adaptation Fund stood at a sufficiently high level, but others were afraid that the reduction would restrict scientific research and leave the Re-adaptation Fund without sufficient means to carry out any really large-scale social programmes. The present favourable economic situation was all t h e more reason for strengthening the Funds' reserves.

85. Another opportunity for the political Groups to express their views on the social aspects of the General Objectives[60]was the debate on the High Authority's Memorandum on this subject, with particular reference to the way in which forms were to be modernised.

86. All economic action ought, it was felt, to centre on the individual and, while some degree of economic dependence was inevitable, this should be kept to the minimum compatible with every man's right to enjoy the same liberty as his neighbours. In no circumstances should the impression be given that the worker's only value comes from the contribution he can make towards increasing production. In addition to the technical aspects of modernisation, emphasis must be laid on its social and human aspects. Hence the Memorandum on the General Objectives should include a chapter dealing with the situation that would be brought about by the achievement of the Objectives from its social aspect.

87. In the course of the debate which followed M. Rene Mayer's speech presenting the Report to the Assembly[61]the political groups also took the opportunity of expressing their views on the 5th General Report as a whole.

88. The above examples show the growing activity of the political groups, which is one of the most characteristic aspects of the Assembly's evolution as a parliamentary body. The attitudes adopted by these Groups with regard to the Community's problems indicate the beginnings of European political trends. There can be no doubt that the tasks falling upon the Assembly in the new Communities will, by broadening its field of action, bring about development of European political doctrines, in which E. C. S. C. represents a first and most promising stage.

Position of Workers in the Community

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58. " The Assembly... considers that any action taken by the High Authority ought essentially to appear to public opinion to be the result of a desire for progress and a determination to achieve results likely to strengthen the Community and avoid halting the progress towards integration." (Resolution on the situation in the coal market of 30-11-56 cf. Official Gazette of the Community of 12-12-1956.)

59. Dobate on tho Roport by SI. do Slontlion on the General Objectives (Sitting of 14th February 1956).

60. Debate on the Report on the social aspect of the General Objectives submitted by M. André Mutter on behalf of the Social Affairs Committee (Sitting of 14th February 1957).

61. Sitting of 15th May 1957.

89. The Consultative Assembly also displayed interest in the question of the position of workers in the Community, including such questions as freedom of manpower movements, housing, changes in the workers' social condition, the prevention of industrial accidents, local government assistance, to help foreign workers employed in the Community's industries.

Mobility of manpower

90. The Common Assembly's Social Affairs Committee notes with pleasure that effect can be given to the agreement on this subject approved by representatives of the Member States on 8th December 1954 and now ratified by every Government. Even before ratification, the Committee had proposed that certain parts of the Agreement should be amended because they were derived from an over-restrictive interpretation of Article 69 of the Treaty. The amendment proposals are to be found in a Report by M. Bertrand (Doc. n° 14, 1954-1955).The Social Affairs Committee has also decided to prepare a Special Report on questions of migration for submission to the Assembly at its next Extraordinary Session in November 1957. The Committee notes that at its meeting in February 1957 the Special Council of Ministers unanimously accepted the general principles of the multilateral agreement on social security for migrant workers. The Committee considers that this agreement should not apply exclusively to workers belonging to Community countries but also, on a reciprocal basis, to workers from outside countries employed in the Community.

Housing

91. The question of local authorities being eligible for High Authority grants towards the building of workers' dwellings was discussed at a Joint Meeting of the Common Assembly's Social Affairs Committee and the Council of Europe's Sub-committee. The Committee on Social Problems has sent a written opinion on the matter to the Council of Europe's Sub-committee (Doc. AC 3323). Other matters to which the Committee hoped the High Authority would devote its attention were :

a. The clearance of hutments and other makeshift dwellings still in use in the Community.

b. A serious housing policy with a periodic review of requirements, so that it might be seen at any time where and to what amount subsidies were needed. In this connection, the Committee recommends concerted action by the High Authority, the Governments, municipal authorities and the employers ;

c. The promotion of housing schemes in connection with the re-adaptation programme ;

d. The construction of " untied " cottages for single families.

Social conditions of workers in the Community

92. When considering the changes in the social conditions of workers, the Committee studied carefully the papers by the High Authority on various aspects of working conditions in the industries of member countries. The Committee is in close touch with the High Authority on this matter and is following with interest the High Authority's preparation of a ready reference survey of social conditions in the Community. The Committee considers that the setting up of joint labour/management councils will help towards the alignment of social conditions. It notes with pleasure that the High Authority has endeavoured to have certain questions looked into by such committees; but is not as yet prepared to say whether this procedure has yielded satisfactory results.

Safety arrangements in Industry

93. With regard to the prevention of industrial accidents, the Common Assembly, as already stated, decided at its session in November 1956 to set up a permanent Committee on Safety and Rescue Arrangements in Coalmines. This was the result of a proposal made by the Social Affairs Committee in the course of the debate on the Report presented on behalf of that Committee by M. Sabass(Doc. n° 3, 1956-1957)The Social Affairs Committee will continue to concentrate chiefly on the human aspects of safety arrangements, while the new Committee will consider principally the technical aspects. At the moment the Committee is basing its examination of these aspects on the Report issued by the Inter-governmental Conference on Safety in Coalmines set up following the Marcinelle disaster, which was attended by a British delegation and representatives of I. L. 0. ft is the Committee's intention to submit to the November Session of the Common Assembly a Report largely devoted to the work of the Conference's Fourth Committee.

94. The Committee on Safety and Rescue Arrangements in Coalmines has also drawn up a number of Reports and a list of the Resolutions arising from them will be found in Part I of the present Report.

95. The Social Affairs Committee has held a joint meeting with the Consultative Assembly's Sub-committee on the effects on local government administration of European Communities, at which grants to workers by local authorities were discussed. The points raised at this meeting were re-examined by the Social Affairs Committee which subsequently sent the Sub-committee an Opinion on them. Members of both Committees were unanimously agreed on the usefulness of such joint meetings and intend to hold others in future.

96. The Social Affairs Committee is continuing its examination of measures to enable foreign workers employed in the Community's industries to enjoy the same social benefits as nationals.

97. To complete this section, it is recalled that numerous debates on social questions have taken place in the Common Assembly, and a large number of resolutions have been adopted[62]

Coal and steel : production, trade and prices

98. The Consultative Assembly also asked for fuller information on coal and steel, including details of production, trade and prices.

99. The High Authority has provided full statistical information on these points in the Statistical Annex to the 5th General Report on its Activities.

100. So far, however, it has been unable to gather together sufficient information for an analysis of production and trade trends in other sectors, either inside or outside the Community[63]

101. The Common Market Committee has several times intimated to the High Authority that an analysis of production and trade trends in the coal and steel industries compared with other industrial sectors would be of considerable value. In response to this suggestion, the High Authority arranged for the publication in Nos. 1 and 2 (1956) of its Informations Statistiques of an analysis of trade trends for Community products compared with those for other comparable products. A full commentary on these trends was made in an introductory statement by the President of the High Authority at the opening of the Ordinary Session of 1955-1956. No detailed information on trade trends for 1956 appears either in the General Report or in Informations Statistiques. At the request of the Committee, however, the High Authority has prepared a comparative table showing trade trends as between the members of the Community in respect of coal and steel products and comparable products such as timber, cement, iron, etc. The Committee has also devoted a section of its Report to this important question[64]but it should be noted that this only deals with trade between the Six. No similar study has so far been made of trade developments with outside countries. The fact is that the Common Market Committee has considered trade with outside countries only from certain angles such as the import of coal and scrap from the United States, sales of coke to long-standing customers of the Community such as Austria or Sweden, or the possibility of increasing trade with the countries of Eastern Europe. When considering^ the conclusions to be drawn from examination of these trends, the Committee endorses the High Authority's view that, even allowing for the effects of the present boom conditions, the Common Market in coal and steel has been an important factor in increasing sales between members of the Community. The Committee also points out that the increase in the volume of trade between the Six is not the only indication of the efficacy of the Common Market. There are a number of other useful criteria by which its development can be estimated.

102. The efforts to step up coal and coke production and to extend still further the use of pig iron instead of scrap in steel works have also attracted the attention of the Investments Committee, which has devoted considerable space to these questions in the Report by M. de Menthon, (Doc. n° 32, 1956-1957)and that by M. Armengaud, (Doc. n° 33,1956-1957) The same Committee notes that good progress has been made towards installing additional coking capacity and that action taken by the High Authority has resulted in an increase in the consumption of cast iron and steel and a reduction in that of scrap. It attaches particular importance to the introduction of new processes more economical in the use of coke and of scrap and leading to an improvement in the quality of steel products.

103. The Common Market Committee has also studied coal and steel price trends but its principal concern has been with price movements inside the Community, on account of the marked upward tendency last year in all centres of production in the Community. The Committee has urged the High Authority to arrange for an equitable distribution of the Community's own coal, which is cheaper than that imported from the United

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62. cf. Part I of the present Report.
63. It is hoped to be able to publish comparative statistics for foreign trade in 1956 by the end of 1957 (cf. Report by M. Pleven Doc, No. 40, paragraph 14).Doc. n°40, paragraphe 14).
64. c/. Report by M. PohleDoc. n° 37, 1956-1957, ¡ chap. VII, paragraphe 56).

States (see the Report by M. Poher, Doc. n° 4,1956-1957 and also his Supplementary Report, (Doc. n° 9, 1956-1957)The Committee notes that the High Authority has taken steps to comply with this request. With regard to steel' prices, the Committee has remarked that, except for light and heavy sheets, export prices charged by the Community's steel producers were in every case lower than those of the United Kingdom or the United States. The Committee intends to keep both the Community's home and export prices under review (see Report by M. Pohle,Doc. n° 37, 1956-1957, chapiter IV (b)).

Harmonisation of import duties

104. Finally, the Consultative Assembly expressed its9 interest in the harmonisation of import duties levied by the Community on products coming within its terms of reference.

105. The Treaty setting up the Community did not include from the start a table of harmonised tariffs that took account of variations in transport costs; it merely underlined the need for such harmonisation and left this matter to the High Authority[65]This harmonisation is to be achieved by the end of the transition period, that is, by 10th February 1958; the Special Council of Ministers took a decision on 9th May 1957 regarding concerted action to this end. Duties levied on imports from outside countries are to be reduced to the level of the Benelux tariff (i.e. between 1 % and 4 %) plus 2 %; in addition to this they may be increased by a flat rate, based on geographical position : 1 % for France, 2 %, 3 % or 4 % for Italy and nil for Germany[66]As an exception, electrical sheeting may be subject to a protective duty of 12 % throughout the Community. Provision is, however, to be made for a lower level of duty in respect of quantities imported by member countries to meet their own requirements.

106. With regard to the United Kingdom an agreement has recently been reached in principle in the Council of Association. This agreement, which has not been put into final form, provides for British import duties to be reduced to 10 % ad valorem— which is still considerably above the level of duties in the Community—but with the possibility of replacing ad valorem by specific duties.

107. The above comparison shows that in the matter of reducing customs tariffs the Common Marked in coal and steel leads the way.

Fair competition

108. The improvement of competitive conditions, another matter of interest to the Consultative Assembly, has been discussed at every meeting of the Common Market Committee, which has devoted a lengthy report to the subject of mergers (see Report by M. Fayat, Doc. No. 26, 1956-1957). The Committee has also kept a constant watch on progress in regard to cartels and the application of the High Authority's decisions concerning changes in the marketing of Ruhr coal (see Report by M. Pohle, Doc. No. 37, 1956-1957, Chapter III.) The Common Market Committee has also examined the question of Government subsidies to the Community industries and Government action in connection with price formation (see Report by M. Pohle, Doe. No. 37, 1956-1957, Chapter II, paragraph 13 and Chapter VI, paragraphs 52 and 53). The question is still under consideration by the Committee.

4. The Common Assembly and the development of the parliamentary character of the European Coal and Steel Community

109. The Treaty instituting the European Coal and Steel Community makes very few provisions concerning the Common Assembly. As a result a body of unwritten law has gradually evolved, of which the successive stages have been noted in previous reports to the Consultative Assembly. It can now be said that the Common Assembly is becoming more truly representative of public opinion, and its political groups thereby tend to think in terms of the true interests of the Community. Consequently, the Assembly has more and more say in the affairs of the Community, not only by a posteriori control but also by exercising a guiding influence over the activities of the High Authority.

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65. Paragraph 15 of the Convention containing the Transitional Provisions does not use the term " harmonisation " in the sense of a compulsory equalisation of the duties levied by members of the Community on imports from outside; it permits the application by the various countries of differential duties, if these can be justified.

66. For two years at most, and with the permission of the High Authority, a further protective duty may he levied on certain products to which the French and Italian markets are particularly sensitive.

110. Yet these results have not followed automatically from the implementation of the Treaty. Without the political will and the efforts of its members, the Assembly could not have developed the Community idea. Its activities instead of broadening would have been limited to keeping check of the activities of the High Authority by examining the latter's annual report. Furthermore, the Representatives might have given their national interests precedence over their political views, which would have been contrary to the development of the Community idea. If none of these things happened, it is because both the Assembly and the High Authority soon demonstrated their will to build Europe. Here it must be emphasised that without the understanding co-operation of the High Authority, the Common Assembly could never have become what it is. The Common Assembly has always regretted that the Treaty did not confer more extensive powers upon the High Authority, which would have broadened the scope of the Assembly itself, as it also regrets the fact that the European Commissions set up under the Rome Treaties instituting the European Economic Community and the European Atomic Energy Community have not been endowed with powers at least as extensive as those of the High Authority. Had t his been done, the building of Europe would surely have benefited.

111. There have been occasional clashes and misunderstandings between the two institutions. One instance was at the session of February 1957 during the discussion of the social aspects of the general objectives of the Community. At times the Assembly has shown some impatience with what it regarded as the dila-toriness of the High Authority. The history of parliamentarianism abounds in such incidents, which are liable to occur when the executive, instead of being derived from the parliamentary assembly, is set up from outside it.

112. There has been some difficulty over the annual appointment, provided for under the Treaty, of Representatives to the Common Assembly, as some national parliaments have not found it easy to make these appointments[67]Hence it would seem desirable for the members of the future single Assembly to be appointed for longer periods, equal for example to those provided for under their national legislature. There is nothing in the new Treaties to prevent this[68]

113. Inevitably the Assembly has made tentative efforts to find the most effective means of exercising democratic control. Having found that there are limits to the powers of the High Authority, it has tried to establish direct contacts with the Special Council of Ministers. However, its most permanent and important link remains that with the High Authority which is the sole executive responsible to it. However, during the second part of the Ordinary Session of 1957, M. Rey, Chairman of the Special Council of Ministers, recalled the statement made by his predecessor M. Westrick and reaffirmed the interest of the Council of Ministers in the proceedings of the Common Assembly, its opinions, debates and resolutions. Furthermore, following M. Rey's statement it was suggested that a joint discussion should be held between the Common Assembly, the High Authority and the Special Council of Ministers to examine'certain problems : the economic policies of Member Governments, transport and social legislation, which, if the Community is to function properly, call for co-ordination at government level. This meeting was approved by the Council of Ministers in principle and may be held during the November Session of the Common Assembly.

114. Yet the parliamentary character of the Community could not have developed as a result of these efforts alone. It would still have lacked the legitimate status of a body genuinely representative of public opinion[69]The Common Assembly has accordingly endeavoured to become representative of public opinion in the six countries. The proceedings of the year 1956-1957 are particularly revealing in that respect.

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67. At the Assembly Sitting of 27th November 1956, the three political groups made the following recommendation :
" The Political Groups,
Considering that the Treaty of 18th April 1951 was freely negotiated and formally ratified by the Parliaments of the six Signatory States; considering that under its Article 21 the Treaty provides that the parliaments shall be called upon to nominate their delegates to the Common Assembly once a year from among their own membership; considering that these nominations are essential for the proper working of the institutions of the European Coal and Steel Community and for the exercise of the democratic control which is the responsibility of the Common Assembly;
Recommend that each Member State ensure the strict implementation of the clauses of the Treaty and that, in particular, the Parliament of each country carries out in due course and for the period provided under the Treaty the designation of its representatives to the Common Assembly,
Urge the President of the Common Assembly to establish the necessary contacts with the Special Council of Ministers and, more particularly, with the Presidents of the Parliamentary Assemblies of the Italian Republic so as to ensure the full implementation of the Treaty of 18th April 1951, by appointing representatives of the peoples of the Coal and Steel Community to the Common Assembly. "

68. Treaty instituting Euratom (Article 108) and Treaty instituting the European Economic Community (Article 138). " The Assembly shall be composed of delegates whom the Parliaments shall be called upon to appoint from among their members in accordance with the procedure laid down by each Member State. "

69. As Professor Reuter writes, " the competence of the Assembly would develop naturally into a parliamentary system if the Common Assembly had public opinion behind it ". (Les Institutions Internationales, Paris, 1955, page 410.)

115. During the Session of November 1956 both the presentation and the debate of the Report on the situation on the coal market reflected the concern of public opinion and the need for the High Authority to keep the public informed of its actions[70]fn the debate on the Report of the Social Affairs Committee on the setting up of equi-representative works commissions which took place at that time, great attention was paid to the views of trade unions and of employers associations[71]

116. At the Extraordinary Session of February 1957, the Report on the social aspects of the General Objectives gave rise to a lively controversy between the High Authority and a number of representatives, with both parties basing their arguments on the views of workers or employers[72]

117. The Common Assembly also wished that public opinion, which it was its task to guide, should be kept as fully informed as possible of its activities. fn the light of the Report of its Committee on Political Affairs and External Relations, it accordingly decided on 15th February 1957 to provide its Secretariat with an information section[73]ft also invited the High Authority to intensify its activities in this field and to give greater publicity to the peaceful aims of a Europe of the Six, without neglecting, as a matter of principle, the countries of Eastern Europe whose political system differs from that of the member countries of E. C. S. C'[74]It also decided to hold an Extraordinary Session in Rome in November 1957, the experience of the Session held in Brussels in 1956 having demonstrated conclusively the interest aroused among the public.

118. The growing part played by the Political Groups in the Assembly has made the latter more genuinely representative of public opinion[75]This role has not, however, completely over-shadowed the activity of the national delegations, which has been manifest on several occasions.

119. The activities of the Common Assembly on these lines have yielded positive results. As examples of this, mention should be made of the amendments to the Annual General Report of the High Authority, the influence exercised on the latter's decisions and, last but not least, the Assembly's emphasis on the human aspect of the Community's affairs.

120. The Fifth General Report of the High Authority in itself largely meets the wishes of the Assembly in this connection. Unlike the preceding Reports, it sets out the general policy of the High Authority[76]and deals extensively with the latter's social policy. It also contains a chapter on steps taken to keep the public informed of the work of E. C. S. C.

121. The presentation of financial and budgetary documents has considerably improved under the influence of the Accounts and Administration Committee of the Community and the Common Assembly. The four institutions now draw up and execute their budgets in proper accounting form and on the same principles, so that it is possible to make comparisons and form a complete picture of the situation[77]In accordance with the wishes of the Assembly, the High Authority has also submitted to it an estimate of the financial requirements of E. C. S. C. and their breakdown and has acquainted it with its policy in regard to the investment of the Community's assets[78]

122. In regard to decisions, in many cases the High Authority has not only consulted the Assembly or its organs beforehand, but has also paid the closest attention to its views[79]

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70. C\. Debates o/ tlte Common Assembly. Verbatim reports of the Sittings (1956-1957). First Extraordinary Session. Silting of 28th November 1956.
71. Debates (1956-1957). First Extraordinary Session. Sitting of 29lh November 1956.
72. Debates (1956-1957). Second Extraordinary Session. Silting of 14th February 1957.
73. The Explanatory Memorandum to the Resolution reads as follows : " The Common Assembly, convinced of the importance of keeping public opinion informed in an objective manner of all aspects of the Community's activities and the political repercussions of this work, while mindful of the efforts made in this field by the High Authority, so far as lies within its power, considers however that it is the duty of the Assembly to assess the political repercussions of all activities coming within the framework of the Treaty and to keep the public informed of these political aspects by giving its work and debates such publicity as it deems to be appropriate. "
74. Resolution concerning the external relations of the Community, adopted on 27th June 1957. It will be noted also that in his recent Report M. Kreyssig asked that the Auditors' Reports should be presented in a different form : " If, " he writes, " the reports were accompanied by a general statement of the financial position of the Community at the end of each financial year, the Report would, in the opinion of our Committee be more concise and of greater interest to the public, to say nothing of the saving that would result " (Doc. n° 30, 1956-1957)
75. See Part II of the present Report.
76. At the request of the Assembly, the Report of the High Authority is no longer merely factual in character. It contains information on the policy the High Authority intends to follow on the basic problems which face the Community or are still outstanding after four years of operation. " (Presentation of the General Report to the Assembly by the President of the High Authority at the opening of the Ordinary 1956-1957 Session).
77. Report by M. Blank,Doc. n° 31, 1956-1957

123. Thus, before publishing its General Objectives and reducing the levy, the High Authority noted the comments of the Assembly and its competent Committees[80]

124. Similarly, the Common Market Commission has been kept informed by the High Authority of the means whereby, in accordance with the wishes of the Assembly, it was found possible to avoid coal allocation during the winter despite the recognised shortage.

125. Where the Assembly's influence is most important, however, is in its human aspect. In November 1956, the Assembly drew the High Authority's attention to the difficulties of the low income-groups in obtaining coal supplies[81]In February 1957, it told the High Authority that it could not agree that the " modernisation " provided for under the Treaty should be understood as referring only to installations and machinery, but considered that it should also imply better conditions for the workers[82]The keynote of the Common Assembly's work is that the human factor has priority over the economic. This principle is also gradually influencing the work of the High Authority.

126. These few examples demonstrate that both the Assembly and the High Authority have understood and carried out their appointed tasks in the E. C. S. C. for, as Joseph Barthélémy wrote : " If a constitution is to survive, the separate powers must in practice co-operate in a continual chain of action and interaction. Questions of separation of powers therefore in the long run come down to questions of equilibrium, moderation and degrees of expedien-ey "[83]

127. In addition to this fruitful collaboration with the High Authority, mention should also be made of the Common Assembly's commendation of the Schuman Plan as a means of raising standards of living and of safeguarding peace. Politically speaking, has E. C. S. C. brought about a closer organic association between its individual member countries? Have they gained or lost by their membership? Has the Community shown itself hostile or sympathetic towards non-member countries? Economically, has real integration taken place in the industries concerned and has the Common Market benefited the Community as a whole? Has it improved the economy of each individual country? And, finally, has the Europe of the Six tended to become a closed circle or has it developed its trade with non-member countries? An answer to these vital questions can be found in the report presented by M. Wigny on behalf of the Political Committee of the Assembly under the title : Un témoignage sur la Communauté des Six. It was owing to the positive conclusions of this report that the Assembly decided, with few dissentients, to give its support to the new Treaties.

128. Will the democratic character of E. C. S. C. continue to thrive within the new Communities? This will depend on the political beliefs of the members of the European Commissions, with clue allowance for the fact that these will have less extensive powers than the High Authority, and on the political attitude of the new single Assembly for all three Communities.

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78. Report by M. Jean Chariot, Doc. No. 36 (1956-1957). At the Ordinary Session in 1955-1956 the Assembly, which approved the conclusions of its Committee outlined by M. Chariot, also adopted a Resolution asking the High Authority to submit to it annually an estimate of the financial requirements of E. C. S. C. and of their breakdown. It will bo remembered that on 25 th April 1957 the High Authority published the " Budget of the Community for the Sixth Financial Year " (1st July 1957-30th June 1958) as a supplement to the Fifth General Report.

79. Mention should, however, be made of the occasional opposition between the Assembly and the High Authority in regard to the application of the Treaty. The High Authority, in the words of M. Reno Mayer " can only apply the Treaty as it stands and not as some would like it to be, and they of course aro not always agreed " [Debates of the Common Assembly, Meeting of Tuesday, 14th May 1957, page 424).

80. The High Authority has expressed, through its President, its satisfaction at having taken its decision to reduce the levy rate only after a thorough discussion of this question with the Committees of the Assembly, which it thanked for having accepted this method of consultation (Presentation of the General Report by M. René Mayer).

81. cf. Resolutio n concerning the situation of the coal market and, in particular, the supplies problem : " The Common Assembly considers that there is a real strain on the Common Market, that this is particularly harmful to domestic consumers despite an increase over previous years in supplies to such consumers... considers... that the burden resulting from imports from non-member countries should be fairly shared and affect as little as possible supplies to domestic consumers..."

82. "To modernise is to improve the morale of the workers, and to create a better social atmosphere, a sense of unity in industrial concerns. Modernising also means respecting the dignity of workers. Lastly, to modernise an undertaking means to make changes in the light of the most recent scientific, economic and social progress, with particular concern for the social and mental outlook of the workers. " (Report on the social aspects of the General Objectives presented on behalf of the Committee of Social Affairs by M. André Mutter).

83. Essai sur le travail parlementaire et le système des commissions (Paris 1934, p. 244).

129. The provisions regarding the single Assembly are identical in the Euratom and Common Market Treaties. In addition to the powers and procedures already stipulated in the Treaty instituting E. C. S. C.—the holding of ordinary and extraordinary sessions, attendance at meetings of the European Commission and those of the Council, discussion of the annual general report and so on, the new Treaties have certain improved features.

130. For example, a vote of censure concerning the activities of the European Commissions can be passed at any time, not only on the occasion of the Annual General Report. Then, again, the powers of the Assembly in budgetary matters are more extensive. The European Commissions are to prepare the preliminary draft budgets and submit them to the Council. The Council, which can amend them after consulting the European Commissions and other institutions concerned, is to lay the budget proposals before the Assembly, before the 31st October of the year preceding that to which they relate. The Assembly has a month in which to give its opinion. It is entitled to propose amendments to the Council but it is the latter, which, after discussing them with the competent European Commission, will finally adopt the budgets by a qualified majority. The Council submits a report to the Assembly on the administration of budget funds.

131. Furthermore, the Council is required to consult the Assembly on certain matters expressly laid down in the Treaties, namely :

amendments to the Treaties proposed by a Member State or a European Commission;

the conclusion of agreements with a third country, a union of States or an international organisation;

provisions that the Council proposes to make in order to achieve, by the functioning of the Common Market, any particular aim of the Community, in cases where the Treaty has not provided the requisite powers;

the issue of regulations to prohibit discrimination against nationals of member countries on grounds of nationality;

the working out of basic standards for the protection of workers and the public against ionising radiation;

the application of security measures necessitated by the holding of stocks of fissionable materials;

amendments to the rules governing property in fissionable materials.

132. Every year the European Commissions are to submit a report to the Assembly. It is expressly laid down that in this annual report the Commission of the European Economic Community is to devote a special section to developments in the social field within the Community. It is further stipulated that the Assembly may request the Commission of the European Economic Community to report on specific problems relating to the social situation in the Community.

133. Finally, ihe Assembly will make plans for an election by direct universal suffrage, the procedure for which will be the same in all member countries; the Council of Ministers, by unanimous vote, will then make recommendations in the matter to the Member States.

134. The Common Assembly in its present form will be dissolved when the new Communities are established[84]But, as the President of the Common Assembly M. Furler wrote recently, " What will survive is the tradition built up in this first European Parliament by the representatives of the peoples of our six countries. We have evolved a way of thinking by which we see problems no longer from a purely national angle but in a framework of common political doctrines. We have a method of work by which, amid the mass of economic and technical material surrounding the questions we study, we can place our finger upon what is in the true interest of the Community[85]The Common Assembly may be proud of the heritage it will leave behind it. In disappearing it will leave its stamp on the Europe of tomorrow.

84. Agreement on certain institutions common to the European Communities, Articles 1-3.
85. Preface to the Annuaire Manuel of the Common Assembly, 1957 edition.

5. The Common Assembly and European unification

135. Although a good deal of the Common Assembly's work, since its Resolution of December 1954 which marked the beginning of the new drive for European unity has been devoted to the elaboration of the Common Market and Euratom Treaties, that is to say to the development of Europe of the Six, it has not neglected the problems created for non-member countries by the existence of these Communities, that is to say the vital question of the unification of the whole of Europe.

136. At the time when these Treaties were being drawn up, the Assembly—and in particular its working party —made public their views with regards to the new Communities and submitted them to the negotiators.

137. Towards the end of 1956, as a result of a desire expressed by the Assembly at its Extraordinary Session in November, a delegation from the Social Affairs Committee was sent to Val Duchesse. There it submitted the Committee's report, in the form of a memorandum, on the social aspects of the treaties[86]Basing its argument on the High Authority's lack of adequate powers in social matters, the memorandum emphasized the fundamental social problems raised by the existence of a general common market and discussed what organs should be made responsible for dealing with them. It also stressed the objectives : the gradual improvement of living and working conditions, the harmonisation of working conditions and social benefits, and retraining grants, Lastly, it suggested the means by which, in the view of the Committee, these objectives may be attained.

138. In the course of its Extraordinary Session in February 1957, the Assembly heard statements by members of its Working Party on the stage reached in the drafting of the treaties and on the provisions regarding institutions[87]After these statements had been discussed, a resolution on the " new drive for European unity" was adopted for transmission in the form of a memorandum to the Intergovernmental Conference at Brussels. This memorandum urged the need to give Euratom and the Common Market an independent Executive, responsible to a European Assembly, to ensure adequate parliamentary control and to avoid the creation of too many institutions. It also expressed the hope that a close association would grow up between the Member States and the overseas territories to which they are bound by constitutional ties and gave a reminder that a common market does not simply mean freedom of trade but genuine solidarity among its members and economic progress coupled with social progress.

139. As regards the establishment of organic relations between the Assembly and the other European Assemblies, the Common Assembly, as is well known, shares the views of the Consultative Assembly of the Council of Europe and of the WEU Assembly. In his opening speech at the Ordinary Session in May 1957, the President, M. Furler, recalled that the Bureau and the Assembly's political groups were in favour of establishing such relations. Much attention was given to the idea of having the same members sitting in the various Assemblies in order that there might be as close an identity between them as possible, ft was realised that for practical reasons this identity of composition could not extend beyond a third or at the most half of the Representatives. The question of substitutes was also raised. This is a delicate matter because a solution must be found which makes the necessary provisions for continuity in parliamentary work and for the eventual election of the new Assembly by direct universal suffrage. Finally, the seat of the new Assembly should be the same as that of its Executive[88]

140. Mention should also be made of the effective joint action of the Bureaux of the three European Assemblies which resulted in the avoidance of a fourth parliamentary institution.

141. Worthy of particular note is the constant concern showed by the Common Assembly, both in its activities in respect of the creation of the new Communities and in the exercise of its parliamentary functions in E. C. S. C, that increasingly close relations should be established between what is called Europe of the Six and Europe of the Fifteen.

142. As far as the existing Community is concerned, that is to say the Coal and Steel Community, its relations with the Consultative Assembly have proved their worth since the latter has recently expressed the desire to establish with the new Communities similar relations to those stipulated in the Protocol to the Schuman Treaty[89]

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86. Report presented to the Foreign Ministers by M. Birkelbach, on behalf of tho Social Affairs Committee, on the social aspects of the report of the heads of delegations of the Intergovernmental Committee set up at the Messina Conference.
87. Statement by M. van der Goes van Naters on the Common Market, by M. Wigny on Euratom and by M. Gilles Gozard on the institutions of the Communities.
88. These points were brought up at Val Duchosso by the Common Assembly's delegation in the course of its J talks with tho Interim Committee on 18th June 1957.
89. Consultative Assembly. Session April-May 1957. Resolution 125 and Recommendation 134.

143. The Joint Session of the Common and Consultative Assemblies in October 1956 was particularly appreciated because it enabled those taking part to form a complete picture of the operation of the Coal and Steel Community.

144. The procedure adopted at these Joint Sessions : the discussion of the High Authority's General Report and of the Common Assembly's Annual Report, the statement by the President of the High Authority on the external relations of E. C. S. C. in political and economic affairs, followed by his reply to questions put to him by members, clearly shows that it is not the aim of the Six to form a separate bloc isolated from the rest of Europe.

145. The Common Assembly has consistently endeavoured to dispel the fears voiced by representatives of non-member countries of E. C. S. C. Requests for information made at joint meetings or in resolutions adopted by the Consultative Assembly at their close have been submitted to the appropriate committees of the Common Assembly. Joint meetings are held by the committees of the two Assemblies. All this has helped to avert the danger that divergent trends might develop between the European Assemblies—and to strengthen still further the existing ties between the structures of the new Europe.

6. Conclusion

146. We feel justified in concluding this Report by affirming that, without going beyond the tasks assigned to it by the ECSC. Treaty, the Common Assembly-—-while fulfilling its obligations towards the other institutions of the Community and strengthening its ties with the Consultative Assembly of the Council of Europe —has done valuable work, particularly over the last year, both in developing its parliamentary character and in contributing to the construction of Europe, both in the framework of its six member countries and with a view to a more broadly based organisation embracing the whole of Europe.