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Opinion of the Consultative Assembly on the Reports of the High Authority relating to the Activities of the Community and to the establishment of the common market of steel

Report[1]
Committee on Political Affairs and Democracy
Committee on Economic Affairs and Development
Social, Health and Family Affairs Committee
Co-rapporteurs: Mr Alfred ROBENS, United Kingdom, Socialist Group, and Mr Per FEDERSPIEL, Denmark, and Mr Henri C. J . HEYMAN, Belgium

1. 1953 - 5th Session - Second part

Draft Resolution

SECTION I - Committee on General Affairs. Rapporteur : M. Robens

Political Aspects

1. On the 10th February, 1953, the European Coal and Steel Community declared open, as between its six Member States, a common market in coal and coke, iron ore and scrap : on the 1st May, 1953, this common market was extended to include steel. There is perhaps no need to emphasise once again the revolutionary character of this development. The Report which the High Authority of the E. C. S. C. has submitted to the Common Assembly of the Community, and which has been tabled for consideration in the Consultat i v e Assembly of t h e Council of Europe, represents in itself a landmark in the history of government of the peoples of Europe. For the first time a European Executive endowed with supranational powers has submitted a report on its activities to the judgment of a European parliament, whose members, although indirectly elected by their national Parliaments acting as electoral colleges, sit and exercise their judgment as Europeans and not as the representatives of national or local interests.

2. The Consultative Assembly approves t h e spirit in which the High Authority has sought to direct its activities. The High Authority has made a noteworthy effort to forestall any accusation that it is an example of an irresponsible technocracy by maintaining contact at every stage with the Special Council of Ministers, the Committees of the Common Assembly, and the Consultative Committee composed of representatives of producers, workers and consumers. In addition, it has established relations, which allow for mutual consultation and collaboration, with a number of individual States which are not Members of the Community, and with the organisations whose purpose it is to increase the unity of action between all the States of Western Europe—with 0. E. E. C , and with the Council of Europe, whose relations with the Community are governed by a Special Protocol to the Treaty instituting the Community, in accordance with the terms of which the present Report has been submitted to the Consult a t i v e Assembly.

3. The High Authority can thus claim t h a t its first decisions and the way in which i t has arrived at their adoption justify the statement made in the Report[2] that : " The Community neither is nor intends to be autarkic or restricted ".

4. The Consultative Assembly fully endorses the desire of the Common Assembly to be requested for its opinion as a parliamentary body with regard to the broad lines of the High Authority's policy before the High Author i ty is definitely committed, and hopes that the High Authority will take steps to comply with this request.

5. The Consultative Assembly recalls with pleasure t h a t the Council of Europe itself played no small part in bringing the negotiations for the establishment of the European Coal and Steel Community to a successful conclusion. The Consultative Assembly believes t h a t , as spokesman of all t h e Members of the Council of Europe, it can continue to contribute materially to the success of the Community. The bilateral arrangements governing the relations between the High Author i ty and certain individual States, Members of the Council of Europe, are unquestionably not only of the greatest importance but, in fact, essential in the best interests of both parties. However, the matters which will be dealt with in accordance with those arrangements will be concerned with the interaction of the policy of the High Authority and of the national policy of the States concerned, it is only through the Council of Europe that the High Authority can obtain a synthesis of the views of these States with regard to its activities, the expression of their common opinion reached through the give-and-take of discussion between their representatives in the Committee of Ministers and the Consultative Assembly.

6. The Consultative Assembly recognises at the same time that the example of the Community will provide a powerful stimulus to the efforts which the Council of Europe will pursue with determination to achieve a closer unity within the less homogeneous grouping of its Members in accordance with the more general terms of its Statute. In the campaign to unite Europe there is a need for both organisations.

SECTION II - Committee on Economic Questions. Rapporteur : M. Federspiel

Economic Aspects

7. The Consultative Assembly congratulates the High Authority on its achievement in opening t h e common market in coal and steel with so little dislocation to the economies of the Member States of the Community. It is true t h a t the task of t h e High Authority was made easier by the general tendency towards

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2. Paragraph 13.

a better balance between supply and demand, which has recently become evident in the coal and steel markets both inside and outside the Community. This tendency has, however, been notably strengthened by the measures adopted by the High Authority and by the Member Governments of t h e Community with the object of abolishing discriminatory practices within the Community. By such measures the Community has taken the first steps towards the realisation of the aim underlying the Treaty, namely the establishment of a market situation favourable to the development of competitive conditions and to an increase in productivity inside the Community.

8. During t h e first months following the opening of the common markets for coal and steel, t h e High Authority had to deal primarily with the solution of the internal problems of the Community, namely those concerned with the quantitative restrictions, customs duties, subsidies and other discriminatory measures, the new price levels for iron ore, coal, scrap and steel, the péréquation levies, turn-over taxes and transport rates. The repercussions on the economies of other countries of the measures taken by t h e High Authority in these matters will gradually become apparent, and will call for an early definition of the policy of t h e Member Governments of t h e Community, as well as of the Community as a whole, in their relations with other countries.

9. In order t h a t trade in coal and steel products between Member States of t h e Community and other countries may be maintained and expanded, it is of importance to define in what conditions and to what extent the establishment of t h e common market may call for intervention on the part of the High Authority in the trade agreements between Member States of the Community and other countries. Under Article 75 of the Treaty, Member Governments are required to communicate their trade agreements to the High Authority, which may make recommendations for their modification. Trade in the commodities mentioned may also be affected by the application of Articles 58 and 59 which authorise action by the High Authority in cases of a decline in demand or of a serious shortage of supply. The Member States of the Community, t h e third parties which enter into contractual arrangements with the Member States, as also individual enterprises, find themselves for the time being in a state of uncertainty with regard to the application of these provisions of the Treaty. The Consultative Assembly believes that no effort should be spared to remove this uncertainty.

10. The abolition of customs duties between the Member States of the Community has, as was foreseen in the Treaty, immediately made it necessary to harmonise the tariffs of the Member States vis-à-vis third countries. The measures now taken include the introduction of a tariff quota in the Benelux countries and the re-introduction in France and in the German Federal Republic of the steel tariffs which were suspended during the period of quantitative restrictions. In this connection the Consultative Assembly notes with satisfaction that the Member States, in the words of the Special Report, have taken the first steps " to harmonise the duties with the aim of lowering them ". In so doing, the Member States will add to their own competitive power and will at the same time further the international division of labour which is in the interest of all countries.

11. The Consultative Assembly notes t h a t an agreement on minimum export prices has been reached by the steel producers of the Community. Such an agreement might involve the danger of isolating the price system of the Community from that of the outside world, with consequences which might run counter to the aims of the Community, as laid down in Article 3 of t h e Treaty, in t h a t they would raise difficulties for those industries of the Community of whoso products steel forms an important component.

12. The Consultative Assembly believes t h a t the High Authority should as soon as possible define its policy with respect to the long-term level of prices, and, in particular, should declare whether it aims at allowing coal and steel prices to find their own level or whether it intends to stabilise them.

13. In dealing with this long-term problem the High Authority should bear in mind t h e possibilities of expanding the markets for coal and steel. In particular, close co-operation should be encouraged hot only among the Member States of the Community themselves, but also between those States and the other Member States of the Council of Europe, for the purpose of developing overseas countries on the lines proposed in the Strasbourg Plan.

14. It is, of course, premature for the Consultative Assembly to pronounce at this stage on the investment policies of the High Authority and of the Member Governments of the Community. The Consultative Assembly will therefore confine itself to emphasising t h a t it is desirable t h a t in framing the investment policy for the coal and steel industries of the six Member States account should bè taken of t h e investment requirements of their other industries and of the capital investment programmes of the other Member States of the Council of Europe. Mutual consultation in this field between the High Authority, the Member Governments of the Community and the Governments of the other Member States of the Council of Europe would meet the common desire for a co-ordinated and selective expansion of the productive power of Europe, which has found expression in the general policy of O. E. E. C.

15. It may be found that the maximum benefits cannot be derived from the establishment of the common market in coal and steel unless it is accompanied by the adoption of complementary policies in other sectors of the economies of the Member States of t h e Community. This question is one which concerns in the first place the Member Governments of the Community and does not at present call for comment by t h e Consultative Assembly. However that may be, the Consultative Assembly emphasises that the future success of the Committee depends also on a progressive development of the collaboration between, on the one hand, the Community and its Member States, and, on the other hand, the Council of Europe and 0. E. E. C. and the States which are Members of those organisations. The Consultative Assembly will contribute wholeheartedly to the development of this collaboration, and to that end has taken t h e opportunity of including in the la6t Section of this Resolution certain practical proposals to which immediate effect could be given.

SECTION III - Committee on Social Questions. Rapporteur : M. Heyman

Social Aspects

16. Chapter V of the report of the High Authority has formed the subject of a report by the Committee on Social Affairs of the European Coal and Steel Community. It has been pointed out in t h a t report t h a t the High Authority is only at the beginning of its action in the social field, which will progressively increase in scope and importance.

17. The Consultative Assembly therefore considers t h a t it is not possible for it to express an opinion at the moment on questions whose solution still form the subject of study.

18. The Assembly unanimously expresses i ts approval, however, of the general lines on which the High Authority proposes to work. In particular, it attaches great importance to t h e studies undertaken by the High Authority in respect of wage-rates and conditions of work and of the question of the investments to be made in the construction of housing accommodation for workers.

19. The Consultative Assembly notes with satisfaction the measures contemplated with a view to the free movement of manpower, which, although limited to the coal and steel industries, conform in principle with the opinions already expressed by the Consultative Assembly on numerous occasions.

20. With regard to social security, the Consultative Assembly wishes to draw the attention of the High Authority to the two Interim Agreements on Social Security and the Convention on Social and Medical Assistance, prepared in the Council of Europe and approved by the Committee of Ministers and the Consultative Assembly. The Agreements and t h e Convention are to be submitted to the Member Governments for signature. They lay down the principle of equal treatment for all nationals of the Member States in respect of social security and assistance. A committee of experts is a t present engaged in other studies with a view to framing a European Code of Social Security, the object of which is to standardise the benefits obtainable.

21. In the opinion of the Consultative Assembly it will be possible gradually to develop joint activities in certain fields between the European Coal and Steel Community and the Council of Europe. This process will be greatly facilitated by their common interest, their common determination and the interrelation of certain problems.

22. The Consultative Assembly wishes to emphasise that the European Coal and Steel Community comprises a number of countries faced with t h e critical problem of surplus population. It is essential for the political and economic stability of Europe t h a t this situation should be eased. The solution of this problem requires general freedom of movement for manpower not only within the European Coal and Steel Community but also beyond its frontiers. The Consultative Assembly believes that concerted action between the Community and States not Members of the Community would contribute to a solution of the problem.

SECTION IV - Committee on General Affairs. Rapporteur : M. Robens

General Conclusions

23. In t he Report[3] presented to the Common Assembly by its Committee on Political Affairs and on the External Relations of the Community it is stated that : " 5. It is obvious that the relations with the Council of Europe within the framework of the Protocol appended to the Treaty are of the utmost importance insofar as it is intended to create that atmosphere of mutual understanding and confidence without which i t is impossible to establish solid links and to achieve a progressive harmonization of the economic policies of the member

3. Document No. 6 of the Common Assembly, para. 5.

countries of the Community and the countries which have not yet joined it. For our efforts in Europe must be directed towards this long-term harmonization if we really want the union of the European countries to take on a positive aspect and do not want it to be inspired by reasons of security and defence alone; "

24. Finally, the Consultative Assembly suggests that the full benefit of future joint meetings of the two Assemblies would be assured, if a similar procedure could be evolved allowing for joint meetings between the Committees of t h e two Assemblies which are concerned with the same category of problems. The Consultative Assembly accordingly recommends t h a t this question should be studied by the Bureaux of the two Assemblies, and a joint decision reached as soon as possible.