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Reply to the General Report of the High Authority

Communication
Committee of Ministers

1. Reply of the Committee to the High Authority

1. The Committee of Ministers of the Council of Europe has examined the first General Report on the activities of the European Coal and Steel Community. The Report, transmitted by the High Authority to the Committee of Ministers and the Consultative Assembly, in pursuance of Article 3 of the Treaty constituting the E. C. S. C, enabled the two organs of the Council fo form a clear picture of the Community in action and of its first practical achievements.

2. The Report of the High Authority has already been examined by the Consultative Assembly during the second part of the Fifth Ordinary Session in June, 1953. The opinion of the Assembly was expressed in Resolution 31 of 23rd June, 1953, and transmitted by the President of the Consultative Assembly to the President of the High Authority.

3. The Committee of Ministers congratulates the High Authority on the practical results of its first year's work, and particularly on its success in establishing according to plan the common market for coal, iron-ore, scrap and steel. This constitutes an important step towards that closer union between the free countries of Europe which is the aim of all Member States of the Council.

4. Always bearing in mind the conformity of the mission of the E. C. S. C. with the aims of the Council of Europe and the need for ensuring harmonious relations between the E. C. S. C. and European countries not members of the Community, the Committee of Ministers has the honour to put before the High Authority the following observations formulated by non-Member Governments of the E. C. S. C.

5. Certain of these Governments would wish to draw the attention of the High Authority to a number of matters which may be of direct concern to non-Member countries of the Community, among them the important question of the import and export policies which the Community intends to pursue in regard to trade in coal and steel between Community and non-Community countries. The independence of Member Governments in this field is subject to certain qualifications, particularly those of Article 75. Together with Articles 59, 61 (c), 72, 73 and 74, this Article confers upon the Community certain powers in connection with trade between individual member countries and non-Community countries. The exact extent of these powers is not clear from the text, and it is difficult to foresee their practical effect on trade with non-Community countries. The non-Member Governments in question have made it known that they would welcome further information from the High Authority on the extent of its powers in respect of the trade policy of the Community and on its intentions with regard to the various forms of control over that policy, such as those provided for in the Articles mentioned above.

6. Similarly, certain non-Member Governments have noted with some concern that the application of the " harmonised tariff " has led to the re-imposition by some countries of import duties on steel which had previously been suspended. These Governments regard this development as a move towards a protectionist policy hardly in keeping with Article 3 (/) of the Treaty.

7. Since the integration of the coal market last February and that of the steel market on 1st May, certain coal, coke and steel prices have shown an upward tendency, which is hardly consistent with the apparent lack of firmness of these markets, particularly of the steel market. Certain non-Member Governments feel that an early announcement of the High Authority's general policy with regard to prices would have a beneficial effect.

8. With regard to the effects of the price policy on trade relations between the Community and third countries, some non-Member Governments have stressed the importance of equal application of Community prices to all buyers and the avoidance of dual prices and other discriminatory practices. They have observed with the keenest interest the steps taken by the High Authority in the matter of cartels, and other restrictive business practices, and have expressed the hope that the High Authority will continue to observe the principles of Article 3 (/) of the Treaty in this field.

9. Certain non-Member Governments have expressed a further hope that, in the event of shortage, the High Authority will take the necessary steps to prevent discrimination against themselves in the distribution of the Community's output.

10. The non-Member Governments of the E. C. S. C. which have submitted the above observations wish to call attention to the fact that the foregoing observations concur in several respects with those expressed by the Consultative Assembly in Resolution 31, Section II (Economic Aspects). The Committee of Ministers hopes that the present observations may fulfil their purpose of strengthening the links between the European Coal and Steel Community and the Council of Europe.

11. In bringing these matters to the attention of the High Authority, the Committee of Ministers would be grateful for a statement of its point of view and would be glad if the High Authority would, in accordance with the suggestion of its President at the Opening Session of the Common Assembly, agree to discuss these problems with the Committee of Ministers.