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Activities of the Common Assembly of the European Coal and Steel Community form 1st July, 1954 to 30th June, 1955

Report

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1. INTRODUCTION

1. The first Report on the activities of the Common Assembly, presented on its behalf by M. Alain Poller to the Consultative Assembly of the Council of Europe, covered the period from 10th September, 1952 to 30th June, 1954. The present Report covers a shorter period— namely the last twelve months of the Assembly's activities from 1st July, 1954 to 30th June, 1955.

2. This Report deals with various questions of principle. Other similar questions, although perhaps even more important, have deliberately been omitted, since they had already been described and competently disposed of by M. Poher in his Report of last year.

3. Your Rapporteur feels he cannot improve on the plan adopted by M. Poher for his own Report. The points for examination are therefore arranged in the same way—that is :

3.1. Powers, machinery and legal status of the Common Assembly;

3.2. The work of the Assembly;

3.3. Relations between the Common Assembly and the Council of Europe.

2. The Common Assembly, its powers, machinery and legal status

4. Before dealing with these points it seems advisable to make a brief survey of the work of the Common Assembly during the period under review. In order to assess its work accurately, moreover, it must be viewed from the broader standpoint of the development of the Community as a whole and the general evolution of the policy of European integration. The beginning of the Community's year 1954-1955 saw the Brussels Conference and the rejection of the E. D. C. by the French National Assembly. Shortly afterwards M. Monnet announced his intention of resigning from his office as President of the High Authority. These events dismayed a good many sincere Europeans and gave some of them the impression that not only the future development of the policy of European integration but also the already existing institutions were doomed to failure. This general pessimism was referred to by the new President of the Assembly, M, Giuseppe Pella, in the speech he made on the occasion of his accession to the Presidency at the first sitting of the extraordinary session in November-December, 1954. While acknowledging the existence of this state of mind, M. Pella declared that a historic ideal could not be overthrown by passing difficulties or setbacks. Time has proved him right. During this same extraordinary session the political groups in the Common Assembly, repeating the very terms used by M. Monnet, affirmed, in an unanimously adopted resolution on the resignation of the President of the High Authority, the necessity for steadily pursuing the task begun if genuine European unity was to be achieved. At the end of the session the Assembly returned to this theme and adopted a resolution calling for the creation of a working party to study the question of " extending the powers of the Community and generally enlarging the range of the common market.[1]

5. These resolutions were immediately followed by a strengthening of the activities of all the Community's organs. The common market for special types of steel had already begun to operate on 1st August, 1954. Between October and December of that year the Council of Ministers approved a draft agreement concerning the.free movement of manpower. On 21st December the Agreement of Association was signed with the United Kingdom. On 20th January, 1955 the Governments consented to the gradual establishment of standard international through rates for rail transport. During the same period the Community's Court of Justice was delivering its first judgements, which were unanimously pronounced to be models of legal wisdom. Lastly, the High Authority proceeded to distribute the funds derived from the American loan and defined its policy towards cartels and monopolies. There can be no doubt that these tangible results of the Community's efforts have greatly contributed to the " renewed drive for European unity " which immediately followed the ratification of the W. E. U. Treaty.

6. When the Assembly met again in May, 1955 the atmosphere had clearly improved. While some of the points at issue had not been completely cleared up, public expressions of good wifl and practical proposals concerning this new European drive were flowing steadily in from governmental and other quarters in the six countries. In May, 1955, during the extraordinary session and the first part of the ordinary session, several important events occurred.

a Working Party was appointed to study the Assembly's powers and how they were exercised and to put forward proposals on the subject;

several resolutions were adopted calling for an extension of the powers necessary to ensure the effective application of the Treaty ;

a resolution was adopted calling for progressive European integration.

7. The results of the Conference held in Messina between the six Foreign Ministers of the Members of the Community showed that the Assembly had adopted the right course. The Assembly noted that, while the conclusions of the Conference did not contain any explicit reply to its request to the six Ministers[2], to invite the Community's organs to put forward proposals for extending the Community's powers, they, nevertheless, revealed certain constructive ideas. It is undeniable, for instance, that certain of these conclusions bear out the views of the Common Assembly which had already led it to set up the Working Party. Furthermore, " several points of the Resolution relate to work already undertaken or measures already initiated by the Community's institutions ". One particular cause for satisfaction is the fact that a politician has been appointed as Chairman of the Committee of Governmental Representatives. The Assembly has expressed the hope that this principle will be extended to the Government Conferences set up after the completion of the preparatory

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1. This resolution, of vital i m p o r t a n c e for the future d e v e l o p m e n t of the A s s e m b l y and the C o m m u n i t y as a w h o l e , was m o v e d t o g e t h e r with the report on the Common A s s e m b l y ' s p o w e r s of c o n t r o l and its exorcise thereof, s u b m i t t e d on behalf of the Committee on Political Affairs b y M. P. H. T o i l g e n (D o c . N o . 5-1953/1954). It was a d o p t e d by the A s s e m b l y on 2nd December, 1954.
2. See R e s o l u t i o n on t h e Messina Conference m o v e d by Mlle. K l o m p é on behalf of the Committee on Political Affairs and a d o p t e d b y the A s s e m b l y o n 2 4 t h June, 1955.

studies, and has stressed the need to make this office a permanent one. Effective collaboration could be established between the Committee of Governmental Representatives and the appropriate organs of the Community by the application of certain provisions of the Treaty.[3] As far as the Common Assembly itself is concerned, the existence of a Working Party studying the problems raised by the new drive for European unity, on the basis of the Resolution of 2nd December, 1954, will no doubt facilitate the search for suitable methods of achieving this collaboration.

8. As M. Pella has said, there is no doubt that over the last few months the Assembly has effectively discharged the political functions assigned to it by the Treaty and will continue to exercise its rôle as initiator both within the framework of the Community and the wider setting of the new Europe as a whole.[4]

2.1. The poivers of the Common Assembly

9. The clauses of the Treaty concerning the powers of the Assembly are rather fragmentary. By making the maximum use of them, however, and with the sympathetic co-operation of the High Authority, the Assembly has gradually succeeded in shaping its powers more definitely. In this respect considerable progress was made during the extraordinary session of November-December, 1954. During the debate on the Teitgen Report, the Assembly found that the terms of Articles 95 and 96 of the Treaty gave it certain powers of initiative, and that there was nothing to prevent it from adopting resolutions to encourage the revision of the Treaty for which provision is made in these Articles and to secure the adojJtion, where necessary, of the extraordinary measures referred to in the first paragraph of Article 95. It should be noted that the Assembly may take the initiative even in cases where the powers to adopt decisive measures are confined strictly to the member countries themselves.

10. The appointment of the members and President of the High Authority is the prerogative of the Member Governments and, in the case of the co-opted member, the HighAuthority itself. The Common Assembly, nevertheless, considered that it could not remain completely indifferent to these appointments, since agreement between the High Authority and the Assembly on the general direction of the Community's policy is essential to the success of the Community. In a Resolution adopted on 1st December, 1954 the Common Assembly accordingly expressed the wish that before electing the new President of the High Authority the Governments should discuss the appointment with M. Pella, President of the Assembly. The subsequent visit by the President of the Common Assembly to the six capitals of the Member States was undertaken in response to this wish.[5]

11. At the same time the Assembly sought to create a precedent which would serve to establish a genuine parliamentary practice by requesting that, immediately after the appointment of its new President, the High Authority should make a political statement to the Assembly, to which the latter would reply, if it felt necessary, at an extraordinary session. This statement was duly made by the new President of the High Authority, M. René Mayer, on 21st June, 1955. This practice, coming directly after an important change in the membership of the High Authority, not only constitutes a gesture of courtesy towards the representatives of the peoples of the member countries, but is also the logical outcome of the existence—repeatedly affirmed on both sides—of a genuine parliamentary control.

12. As has been said, collaboration with the High Authority has on the whole produced most fruitful results.[6]The effect of this co-operation is that the Assembly henceforth exercises its control, not only over the work already achieved by the High Authority, but also over the general lines of its future policy.[7]When, for instance, the High Authority took an important decision without explaining its reasons to the Assembly, there was an immediate and vigorous reaction.[8]

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3. A r t . 22 stipulates that the A s s e m b l y " m a y be c o n v o k e d in e x t r a o r d i n a r y session o n the request of the Council in order t o state its o p i n i o n on such questions as m a y b e p u t t o it b y the Council " .

4. See C o m m o n A s s e m b l y . O r d i n a r y Session 1954-1955, S i t t i n g of 21st June, 1955.

5. M. Pella g a v e the A s s e m b l y a n a c c o u n t of this t r ip on 21st June, 1955. A f t e r recalling the two opposing views taken b y the Governments during his visit (i.e. w h e t h e r the President's functions should be t e c h n i c a l or p o l i t i c a l in character) he e x p l a i n e d that he p e r s o n a l l y had u p h e l d the " p o l i t i c a l " t h e o r y . He also e x p r e s s e d his s a t i s f a c t i o n at the appointment of M. R e n é Mayer, w h o m he had r e c o m m e n d e d for this post to the six G o v e r n m e n t s on behalf of the A s s e m b l y.

6. See s p e e c h b y M. W i g n y in the A s s e m b l y on 1st Dec e m b e r , 1954 : " A m o n g our m a n y reasons for gratitude to M. M o n n e l , perhaps the most i m p o r t a n t is that it was he who enabled the Assembly, o v e r and a b o v e the letter of the Treaties hut in a c c o r d a n c e w i t h their spirit, to establish this necessary conlrol over—o r rather, c o l l a b o r a t i o n with—t h e e x e c u t i v e . " The R e s o l u t i o n s u b m i t t e d by MM. Sassen, Guy Mollet and Delbos and a p p r o v e d during the same Sitting on 1st D e c e m b e r expressed t o the o u t g o i n g President of the H i g h A u t h o r i t y the A s s e m b l y ' s gratitude for the work he h a d a c c o m p l i s h e d , and in p a r t i c u l a r for t h

13. In the course of its work the Assembly increasingly stressed the need to make its powers of conlrol over the executive more effective. In particular, it discussed the drawbacks of the two-thirds majority vote required for overthrowing the High Authority.[9]It also deplored the inadequacy of its budgetary powers.[10]The problem of effecting some improvement in this parliamentary control has been referred to the Working Party for examination, in pursuance of the Resolution adopted on 2nd December, 1954.

14. In accordance with the wishes expressed by the Assembly the Third General Report of the High Authority contains a chapter devoted to the activities of all the organs of the Community, the Assembly having pointed out that the powers granted to the Common. Assembly under the terms of the Treaty were not confined to supervising the activities of the High Authority.[11]

15. It has been pointed out that, since the auditor is only required to ensure that the accounting operations and financial administration of the Community's organs are in order, the decisions of the High Authority concerning the destination of the funds obtained from the general levy and the péréquation measures are not subject to any control. The Assembly took the view, however, —corroborated by the High Authority—that the utilisation of such large sums could not be allowed to escape parliamentary control. Consequently, and in order to enable the Assembly to exercise this control with a full knowledge of the facts involved, the High Authority has undertaken to provide the Committee on Accounts and Administration of the Common Assembly and of the Community with regular information on the use already made of these funds and on the proposals for their future destination. It is clear that this undertaking by the High Authority, which relates mainly to future measures, can only apply to the general lines and guiding principles of its policy for the use of these funds.

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e c o n t r i b u t i on he had made to ensuring constant c o - o p e r a t i o n b e t w e en the A s s e m b l y a n d the High A u t h o r i t y and effective parl i a m e n t a r y c o n t r o l. I n his fust speech to t h e A s s e m b l y , M. Mayer returned r e p e a t e d l y to this theme. Having recalled the " c o n s tant c o - o p e r a t i o n " w h i c h the High A u t h o r i t y should m a i n t a i n with an A s s e m b l y elected b y parliaments, he a d d e d : " W h a t I w a n t e d to tell y o u t o d a y is that the H i g h A u t h o r i t y has firmly resolved t o pursue its activities during the f o r t h c o m i n g months along the lines laid d o w n in the Resolutions a d o p t e d by your A s s e m b ly last month... " (Th e High A u t h o r i t y) is grateful for the confidence p l a c e d in it b y the Assembly, with w h o m it intends to remain in close and constant touch... "

7. Thus w i t h regard to the High A u t h o r i t y ' s measures in respect of cartels, M. Mayer told the A s s e m b l y on 21st June, 1955 : " The A s s e m b l y and its Committees, and the general public, will be kept informed of the results obtained, the difficulties encountered, and any n e w measures c o n t e m p l a t e d . . . »

8. On 1 3 t h May 1955, t h e A s s e m b l y a p p r o v e d a R e s o l u t i o n s u b m i t t e d b y MM. Chupin, Motz, Blank, de Saivre and others regretting the fact that the High A u t h o r i ty had decided to reduce the amount of the l e v y before its l o n g - t e rm p o l i c y had been discussed by the Common A s s e m b l y and without knowing what measures the Council of Ministers intended to take on 1st J u n e.

9. See f o l l o w i n g e x t r a c t s f r om speeches : Mlle. K l o m p é , R a p p o r t e u r of the Committee on Polit i c a l Affairs, on 1st D e c e m b e r , 1954 : " I n this respect i t is a b s o l u t e l y essential t o a m e n d the p r o v i s i o n s g o v e r n i n g the A s s e m b l y ' s v o t e of censure. Your Committee has n o t y e t discussed t h e details of this r e v i s i o n , but proposes t o do so in the near future. There must be some m e t h o d of h a v i n g a say in individual points of p o l i cy w i t h o u t i m m e d i a t e l y c o m p e l l i n g t h e High A u t h o r i t y to resign, and this n o t o n l y in c o n n e c t i o n w i t h the debate on the annual report. " M. D e b r é o n 2nd D e c e m b e r , 1954 : " F u r t h e r m o r e , we shall h a v e t o amend the T r e a t y . What is t h e g o o d of an A s s e m b l y whose decisions must be t a k e n b y a twothirds m a j o r i t y ? It can never be more than consult a t i v e . Only the m a j o r i t y vote is truly democratic. O n l y w h e n an A s s e m b l y can i m p o s e its decisions b y a m a j o r i t y v o t e is there any real c o n t r o l . " M. K o p f at the same S i t t i n g : " The w a y in w h i c h this p o l i t i c a l c o n t r o l is e x e r c i s e d—a v o t e of censure against t h e High A u t h o r i t y as a w h o l e and its w o r k as a w h o l e— raises considerable difficulties and cannot be regarded as a s a t i s f a c t o r y and permanent m e t h o d of c o n t r o l . .. For m y part I fully agree that the present T r e a t y does not a l l ow f o r t h o s e less drastic forms of p o l i t i c a l control w h i c h , a l t h o u g h t h e y w o u l d c e r t a i n l y n o t have the legal effect of a v o t e of censure w i t h i n the m e a n i n g of A r t i c l e 24 of the Treaty, would nevertheless have a considerable moral and political effect. " See lastly, again at the same Sitting, the speech by M. Dehousse p o i n t i n g out that the Council of Ministers is one of the two organs to w h i c h the Treaty grants e x e c u t i v e powers.

10. See s p e e c h m a d e b y Mlle. K l o m p é in the name of the C o m m i t t e e on P o l i t i c a l Affairs on 1st D e c e m b e r 1954. Cf. also M. D e b r é : " If this A s s e m b l y . . . c o u l d v o t e on t h e b u d g e t of the High A u t h o r i t y and the a c c o u n t s i t em b y item, we w o u l d be m a k i n g more i m p o r t a n t progress towards d e m o c r a t i c c o n t r o l t h a n if, w i t h o u t altering its powers, w e d e c i d e d t h a t i t s m e m b e r s should b e e l e c t e d by universal suffrage... The procedure of v o t i n g on the b u d g e t and accounts i t em b y i t em is a basic c o n d i t i o n for d e m o c r a t i c c o n t r o l and, indeed, for the safeguarding of f r e e d om itself. " (S i t t i n g of 2nd D e c e m b e r 1954.)

11. Under the terms of A r t i c l e 17 of the treaty, the annual General R e p o r t f r om the High A u t h o r i t y to the A s s e m b l y is r e q u i r e d to deal w i t h " t h e activities of the C o m m u n i t y and its administrative expenditures "•—cf. Official Gazelle of the Community, 9th J u n e , 1954, p . 413.

16. Some of the Resolutions adopted by the Assembly during the past year are addressed, in part or in whole, to the Special Council of Ministers. They relate to matters of considerable importance.[12]It would, however, be a mistake to jump to conclusions and imagine that the Assembly prefers to address itself directly to Governments rather than to the High Authority. On the contrary, in directing its resolutions to the Council and individual Governments the Assembly's intention was either to invite them to co-operate more closely with the High Authority[13], or to stress the fact that the Treaty had not given the High Authority adequate powers in certain sectors which were, nevertheless, of vital importance to the proper functioning of the common market,[14], sor again to recommend Governments to adopt a wider interpretation of the Treaty—that is, a less restrictive interpretation of the powers of the High Authority. 3[15]DFurthermore, in cases where even the widest possible interpretation did not suffice to give the High Authority the necessary means of action, the Assembly made it clear to the Governments that it would be necessary to extend these powers.[16]Then again, with regard to the results of the Messina Conference, the Assembly expressed the wish that the High Authority should be associated at all stages with the Government surveys and conferences, in particular by applying Article 26 of the Treaty.[17]Lastly, in several cases the Assembly reminded the Governments of the obligations devolving on them under the terms of the Treaty and the necessity for fulfilling them in their entirety and as soon as possible.[18]

17. ft is also worth noting the positive attitude adopted by the Council of Ministers in regard to co-operation with the Assembly. During the past year the Ministers have for the first time come and addressed the Assembly, as they are entitled to do under the Rules of Procedure. This alone goes to show that the Council is taking a growing interest in the parliamentary side of the work. Above all, however, it was the tone of the speeches made on that occasion and the warm reception given them which showed how cordial were the relations recently established between the Council and the Assembly. In this respect the suggestion made by M. Rey, the Belgian Minister, that the Ministers should at all events attend those meetings at which their presence was particularly desirable assumes special significance.[19]

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12. The following Resolutions are addressed exclusively to the Council of Ministers : — Resolution on the transport problem (creation of a Committee of Exports) adopted by the Assembly on 12th May, 1955; — Resolution on the Community's relations with the United Kingdom of Great Rritain and Northern Ireland, adopted on 15th May, 1955; •— Resolution on the transport problem, adopted on 24th June, 1955; — Resolution on the general expansion policy and current developments, adopted on 24th June, 1955. Other Resolutions are partly addressed to the.Council, namely : — Resolution on the Common Assembly's powers of control and its exercise thereof, adopted on 2nd December, 1954; — Resolution on social questions, adopted on 13t.h May, 1955 ; — Resolution defining the Assembly's position prior to the meeting of the Ministers on 1st June, adopted on 14th May, 1955; — Resolution concerning the Resolution adopted by the Ministers for Foreign Affairs of the Member States of the Community at the Messina Conference, adopted on 24th June, 1955.

13. See the fifth paragraph of the Resolution of 12th May, 1955 on the transport problem and para 9 (b) and (c) of the Resolution of 13th May, 1955 on social questions. See also the wish expressed in the Resolution of the Messina Conference adopted on 24th June, 1955 that the High Authority should be associated at all stages with the Government surveys and conferences connected with the execution of the programme drawn up at Messina.

14. See the fifth paragraph of the Resolution on the transport problem and pai'a 17 (6) of the Resolution on social questions. See also para 3 of the Resolution on the position of the Common Assembly prior to the meeting of the Council of Ministers.

15. See para 5 of the Resolution on social questions.

16. See para. 11 (a) of the Resolution on the position of . the Common Assembly prior to the meeting of the Council of Ministers on 1st June.

17. See Report by Mlle. Klompé on behalf of the Committee on Political Affairs concerning the Resolution adopted by the Foreign Ministers of Member States of the E. C. S. C. at their conference in Messina on 1st and 2nd June, 1955. Cf. also the Resolution appended to that Report and adopted by the Assembly on 24th Juno, 1955. The third paragraph of Art. 26 of the Treaty states that : " The Council may request the High Authority to examine all proposals and measures which it may deem necessary or appropriate for the realisation of the common objectives. "

18. See Resolution on the Community's relations with the United Kingdom of Great Britain and Northern Ireland and para. 5 of the Resolution defining the position of the Assembly prior lo the mooting of the Ministers on 1st Juno.

19. See also Partlll of the Resolution on the Assembly 's powers and its exercise thereof, adopted on 2nd December, 1954 : " The Assembly requests the members of the Special Council of Ministers to keep it regularly informed of the policy pursued by the Council by making use of the facilities provided for in para. 4 of Art. 23 of the Treaty. " In a Resolution adopted on 24th Juno, 1955 the Assembly asked the Council lo use the same facilities in order to come and explain to the Assembly, during its fust Session in 1955-1956, what action had been taken on the decision adopted by the Council on 13th October conoorning the economic expansion policy of the six Governments. The Assembly particularly wished t

18. The mutual desire of the two institutions for co-operation may well be put to the test in the near future when they come to tackle the following points :

a. Extension of the powers necessary to give full effect to the Treaty;

b. Further efforts to achieve European integration.On the first point the Assembly has expressed the view that it is for the Community's organs (particularly the Assembly itself, through the special Working Party) to formulate concrete proposals on the subject, if necessary at the invitation of the Council of Ministers. The second task, it feels, is one for the Governments to carry out—though it should not be left to them alone; for neither in the preparatory nor the final stages can they afford to ignore the valuable experience acquired by the Community's organs, which have now been in existence for several years.[20] With regard to relations between the Assembly and the Special Council of Ministers, it is also worth notiing the remarks made by M. Dehousse during the Sitting on 2nd December, 1954 : " I believe we are about to enter a phase which previous Assemblies have already passed through and which all future ones will also have to face so long as we have no real European executive—the phase of a constitutional crisis. By that I mean a deep-seated political conflict between ourselves as the deliberating organ and the ministerial body on which we are trying to exert an influence we do not possess. Today we are embarking on a course somewhat similar to that formerly adopted by the Consultative Assembly of the Council of Europe in respect of the Committee of Ministers, and which at that time led to a constitutional conflict in which the Assembly scored several points and to some extent increased its " powers. "

2.2. Means of action of the Common Assembly

19. There are two essential conditions if the work of the Assembly and its Committees is to be effective :

19.1. The general public must be given as full and precise information as possible on the problems encountered by the Assembly and Committees and the remedies they are considering;

19.2. The Assembly and its Committees must be given full documentation on the problems discussed at their meetings.

20. With regard to the first point the Political and External Relations Committee has expressed the view that every effort should be made to draw the attention of the circles concerned to the work of the Community, either by encouraging direct contacts with the representatives of the various sectors or by taking steps to publish and popularize the Community's achievements.

21. As for providing the Assembly and Committees with fuller documentation, the Resolution adopted by the Assembly on the proposal of the Committee on Political Affairs gives reason to hope that certain difficulties hitherto encountered may be overcome. The Assembly has in fact reminded the Committees that they may send their members on special missions to obtain information from other international organisations, the national Governments and the Special Council of Ministers.[21]Committees may also invite the members of the Special Council of Ministers and representatives of economic, trade union and professional organisations to attend and speak at their meetings.

22. Furthermore, the Assembly has asked the Working Party set up under the terms of the Resolution of 2nd December, 1954 to study in detail how certain precise requests made to the High Authority with regard to documentation might be satisfied. ; These requests are as follows :

22.1. That Rapporteurs of Committees should be allowed to attend as observers meetings of the Consultative Committee of special interest to the Assembly;

22.2. That agreements should be concluded between the High Authority and I. L. 0., G. A. T. T., O. E. E. C, E. C. E. and W. E. U. to enable the Assembly to maintain permanent relations with these organisations for information purposes.

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o k n o w w h a t steps had been taken as a result of the i n v e s t i g a t i o n s made b y the six G o v e r n m e n t s , in c o n j u n c t i o n with the High A u t h o r i t y , into : (1) Their general e x p a n s i o n p o l i c y; (2) Current d e v e l o p m e n t s.

20. See R e s o l u t i o n a d o p t e d on 1 4 t h May, 1955 defining t h e p o s i t i o n of t h e C o m m o n A s s e m b l y p r i o r t o t h e meeting of the Council of Ministers on 1st June, 1955, and the R e s o l u t i o n on the Messina Conference a d o p t e d on 24th J u n e , 1955.

21. W i t h regard to liaison w i t h the Council, it should be n o t e d that even before the R e s o l u t i o n was a p p r o v e d a d e l e g a t i o n of the Committee on Social Questions had a l r e a d y a t t e n d e d a m e e t i n g of the Council of Ministers.

23. In the course of their work the Assembly and its Committees have repeatedly come up against obstacles created by Articles of the Treaty which, while regulating the way in which the Community may utilise its powers, nevertheless conflict with the aims of other Articles laying down guiding principles or formulating programmes. It is for the particular purpose of remedying this situation that the Committee on Rules of Procedure of the Common Assembly has been empowered to formulate legal opinions on the interpretation and application of such provisions of the Treaty as relate to the exercise of the Assembly's powers.[22]It is clear from the Assembly's discussions that the restriction contained in the last phrase : " such provisions as relate to the exercise of the Assembly's powers " is largely fictitious since in fact the Assembly's powers of control range over the whole field of action of the High Authority. On the other hand, the activities of the Committee on Legal Questions will be considerably limited since it will not be entitled to examine problems of its own accord but only if they are referred to it by the competent Committees, which alone will be empowered to assess their political implications.

24. The Assembly Committees have continued to work intensively. On the whole, co-operation with the High Authority has been better than in the past. This improvement is reflected in the Reports submitted by the Committees to the Assembly.[23]Several written questions have been addressed to the High Authority by Assembly Representatives. The High Authority has'also replied to oral questions put to it at Assembly Sessions. Two petitions, as provided for in the Rules of Procedure, have been submitted to the President of the Assembly. They were the first of their kind.

2.3. Legal status of the Common Assembly

25. As M. Potier explained last year, it is clear from the texts instituting the Community, the statements made by its founder and the opinion expressed by a Committee of Legal Advisers that the Assembly is a parliamentary organ although possessing characteristics peculiar to itself.[24]This concept of the legal status of the Assembly has been confirmed on several occasions during recent Sessions. It has, indeed, been pointed out that the parliamentary character of the Assembly entails highly important consequences for its method of functioning.[25]

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22. See Report presented on behalf of the Committee on Rules of Procedure of the Common Assembly, Petitions and Immunities by M. von Merkatz on the advisability of empowering an Assembly Committee to formulate legal opinions on the interpretation and application of such provisions of the Treaty as relate to the exercise of the Assembly's powers (Doc. No. 24, 1954-1955). See also the Resolution concerning the extension of the powers of the Committee on Rules of Procedure, adopted by the Assembly on 9th May, 1955. The Committee will hence forth be entitled " Committee on Legal Questions, Rules of Procedure of the Common Assembly, Petitions and Immunities. "

23. During the period under review the number of meetings held of reports drawn up by the seven permanent Committees of the Assembly were as follows : —• Common Market Committee : 8 meetings, 2 reports; — Committee on Investments, Finance and Production Development : 10 meetings, 4 reports; —• Committee on Social Questions : 12 meetings, 7 reports ; — Political and external Relations Committee : 7 meetings, 5 reports; — Transport Committee : 8 meetings, 3 reports; — Committee on Accounts and Administration of the Community and Common Assembly : 13 meetings, 6 reports ; — Committe e on Legal Questions, Rules of Procedure of the Common Assembly, Petitions and Immunities : G meetings, 3 reports; — Working Party : 2 meetings; Sub-Committee on Institutional Questions : 2 meetings; Sub-Committee on Powers and Functions : 2 meetings ; — Committee s on Investments and Social Questions : 3 joint meetings; Sub-Committee composed of 4 members of the Committee on Investments and 4 members of the Committee on Social Questions : 1 meeting; —• Committees on Common Market and Investments : 1 joint meeting. The Committee on Investments has also made an official tour of Italy to study special problems connected with the Italian coal and steel industry. A report has also been presented on behalf of the Bureau of the Assembly by M. Pella on tho application of the Resolution of 2nd December, 1954 concerning the appointment of a Working Parly.

24. See First Report from the Common Assembly to the Consultative Assembly, p. 12 et seq. (French text). Cf. also M. Wigny in the Common Assembly on 1st December, 1954 : " It is clear that we do not possess the legal and political powers over the High Authority which an ordinary Parliament possesses over its Government. "

25. A remark by M. Teitgen is specially worthy of note : " The Assembly should be entitled to recognition of any rights it may claim provided they form part of the general common law of our countries and are recognised in all countries as being among the normal rights and prerogatives of a Parliament, and provided they do not conflict with any provisions of the Treaty or any powers possessed by other institutions " (Assembly Debates, 2nd December, 1954).

26. The Common Assembly also possesses a legal status peculiar to itself, insofar as the Treaty grants Member States and the High Authority the right to appeal to the Court of Justice against decisions of the Assembly itself.[26]So far no use has been made of this right, but M. Vendroux, French Representative to the Common Assembly, has invited the French Government to appeal for a reversal of the decision approved by the Assembly on 9th May to set up a Working Party to examine the question of extending the Community's material competence and, in the broad sense of the term, extending the common market.[27]

27. The election of Assembly members by universal suffrage is discussed in the Report of M. Teitgen on the Assembly's powers of control and its exercise thereof.[28]It was thus that the question arose as to whether, it was advisable to strengthen the democratic and supranational character of the Assembly. This question is no easy one to answer; it is, in fact, closely bound up with other problems affecting the Community as a whole[29]The Common Assembly has agreed that the problem calls for detailed study, and has entrusted this task to the Working Party set up on 13th May, 1955.

28. Reaffirming once again that it is a parliamentary institution, the Common Assembly has expressed the wish to be admitted to the Inter-Parliamentary Union. It has also approved a credit for this purpose and has asked the Bureau to arrange for it to become a member.[30]

29. During last year's meetings a phenomenon already apparent at previous Sessions began to assume broader and weightier proportions : namely, the tendency of members of the Assembly to express their views on problems, not from the national standpoint but from that of the political group to which they belong. This re-grouping of the members according to their ideological beliefs, noticeable in the voting, is the result of an intense political and parliamentary campaign conducted by the groups. There is no need to stress the importance of this development and the value of the contribution it wakes to the European cause. It is clear, too, that it will substantially enhance the parliamentary character of the Assembly.[31]

3. II -The work of the Assembly

3.1. Common Market

30. At the Ordinary Session in May, 1954, the High Authority was criticised for its tardiness in dealing with the problem of cartels. The dissatisfaction of the Assembly had already been reflected in its Resolution regarding the General Report of the High Authority for 1953-1954. The Common Market Committee accordingly met in July, 1954, to hear the views of the High Authority on coal sales organisations. Difficulties were encountered from the outset of the discussion, and it soon appeared that the Committee and the High

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26. See A r t . 38 of t h e T r e a t y : " S u c h an appeal m ay b e b a s e d o n l y on the grounds of l a c k of legal c o m p e t e n ce or substantial procedural v i o l a t i o n s . "

27. T h e legal a r g u m e n t i n v o k e d b y M . V e n d r o u x i s t h at t h e A s s e m b l y is n o t a u t h o r i s e d b y t h e T r e a t y t o deal w i t h s u c h p r o b l e m s (cf. National A s s e m b l y , A p p e n d i x t o the Minutes of the Sitting of 1 3 t h May 1953, N o . 1 0 . 7 3 6).

28. A r t i c l e 21 of the T r e a t y stipulates that : " The A s s e m b l y shall b e c o m p o s e d of delegates w h o m the parliaments of e a c h of the Member S t a t e s shall b e c a l l e d u p on to designate once a y e a r . f r om among their o w n memberss h i p , or w h o shall b o e l e c t e d b y d i r e c t universal suffrage a c c o r d i n g l o the p r o c e d u r e d e t e r m i n e d b y e a c h r e s p e c t i v e H i g h Contracting Party. "

29. In presenting his R e p o r t M. T e i t g e n s a i d : " (Certain C o m m i t t e e members) have declared that they would w i l l i n g l y , or more than willingly, a c c e p t the election of A s s e m b l y members b y universal suffrage and that they w o u l d therefore be m o r e p r e p a r e d to p r o p o s e this r e f o r m l o their G o v e r n m e n t s if it were to be a c c o m p a n i e d b y a reasonable and m o d e r a t e extension of such of the Comm u n i t y ' s powers as are r e c o g n i s e d t o b e t r u ly indispensable. T h e y explain that it w o u l d be easier to j u s t i f y the e l e c t i o n of an A s s e m b l y l i k e our o w n b y universal suffrage if it no l o n g e r dealt s o l e l y w i t h coal a n d steel p r o b l e m s . " (Common Assembly, E x t r a o r d i n a r y Session of N o v . - D e c . 1954, S i t t i n g of 2nd D e c e m b e r 1 9 5 4).

30. See S u b - H e a d 36 of the budget of the Common A s s e m b l y for the financial year 1955-1956 (D o c . N o . 11 and 11 bis). Cf. also s t a t e m e n t b y the President during the Sitting on 10th May, 1955, and the speech by M. Kurtz, R a p p o r t e u r of the Committee on A c c o u n ts and A d m i n i s t r a t i o n of t h e Common A s s e m b l y and Comm u n i t y , on the b u d g e t of t h e C o m m o n A s s e m b l y for the financial year 1955-1956 : " W i t h o u t b e i n g a Parliament i n the traditional sense of the term, the C o m m o n A s s e m b l y has had the h a p p y idea of j o i n i n g the Inlor-Parliam e n t a r y Union as an associate member. " (Common A s s e m b l y , E x t r a o r d i n a r y Session of May 1955, S i t t i n g of 6th May, 1 9 5 5).

31. See speech b y M. Dehousse during the Sitting on 9 t h May, 1955 : " If our A s s e m b l y , w h i c h is still at an i n d e t e r m i n a t e stage, g r a d u a l l y b e c o m e s a l i v i n g reality, this will b e m a i n l y b e c a u s e of t h e growing i m p o r t a n c e it has a t t r i b u t e d to the political parties: of which it is c o m p o s e d . " I n his speech M. Dehousse p a r t i c u l a r l y w e l c o m e d the proposal made b y M. Pella that the p o l i t i c a l groups s h o u l d be allowed to p l a y an essential part i n the a p p o i n t m e n t of the members of the W o r k i n g P a r t y .

Authority were at variance on an important question of method. The Committee considered that the High Authority's interpretation of Article 47 of the Treaty concerning professional secrecy rendered the exercise of parliamentary control virtually impossible. No satisfactory solution was found lo this difficulty, but it was understood there would be further exchanges of views, in the hope of finding an interpretation acceptable to all parties.

31. As to the substance of the question, there was a certain disagreement on the precise powers of the High Authority in respect of selling agencies operating contrary to this Article of the Treaty. The High Authority contended that it was not empowered by the Treaty to do more than authorise or prohibit organisations; only in the event of their dissolution consequent upon prohibition could it intervene in a constructive fashion.

32. Nevertheless, after careful study of the situation created by the existence of three important coal selling agencies within the Community (ATIC in France, COBECHAR in Belgium and GEORG in Germany) the Committee concluded that the problem could only be solved :

32.1. by considering it in relation to the overall coal policy;

32.2. by estimating the economic and social impact of the suppression of these agencies.[32]

33. It was repeatedly argued by various sections of the Assembly that no policy for coal was practicable except as an integral part of a policy for energy in all its forms.. The question was raised in particular by the Political Affairs Committee, at whose request the Bureau instructed the Common Market Committee to examine the possibility of extending the common market to the whole field of fuel and power. The Committee discussed this question and asked the High Authority to make a preliminary study of the subject, on which it also approached the Council of Ministers. Following the Resolutions of 2nd December, 1954 and 9th May, 1955, a Working Party to look into this problem was set up on 13th May, 1955.

34. With regard to the operation and development of the common market, the relevant committee concluded that its effects had been beneficial whatever the general economic situation. The common market had in fact made it possible :

to alleviate violent fluctuations in the general economic position;

to promote healthy and progressive development in normal times. The common market has, furthermore, helped to bring about an increase in the volume of trade between the Community countries without detriment to their trade with outside countries, which has also progressed favourably in somewhat lesser degree.

35. With regard to problems affecting the coal market, the Committee unanimously agreed that the first objective was to bring down production costs and prices. Unless it can do this, the Community will fail in one of its main purposes, which is to promote general economic expansion.[33] A reduction in prices is all the more essential in that it affords the only means of competing with other sources of energy and with imported coal.

36. On the other hand, with regard to the question whether to fix ceiling prices for coal, and, if so, what these price levels should be, opinion in the Common Market Committee was so divided that no majority could be found for any particular view.

37. The Committee approved the High Authority's policy with regard to the ban on alignment rebates and the exemptions allowed. It noted with particular satisfaction the direct exemption authorised in March, 1955 2 in connection with sales by the Nord/Pas-de-Calais collieries to Germany and to the Netherlands.[34] The maintenance of maximum prices in the sole case of the Ruhr basin is justified by the fact that there is in the Ruhr a central sales organisation which impedes normal competition. If the problem of cartels can be solved, maximum price limits should before .very long disappear. The Committee has asked the High Authority to say what, in its opinion, might be the effect of such a removal of ceiling prices.[35]

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32. See R e p o r t of the Common Market Committee (M. Korthals) o n the q u e s t i o n of cartels in t h e E. C. S. C. f r om the aspect of c o m p e t i t i o n and sales in the coal market (Doc. N o . 2, 1954-1955).

33. A r t i c l e 2 of t h e T r e a t y.

34. These points and others dealt w i t h in t h e f o l l o w i ng pages of this chapter are referred to in the report pres e n t e d to the Common Market Committee b y M. P o h le c o n c e r n i n g the s e c t i o n of the High A u t h o r i t y ' s report d e v o t e d t o t h e o p e r a t i o n and e x p a n s i o n of t h e C o m m on Market.

35. " Onc e m a x i m u m prices have b e e n finally abolished, wo mus I see whether it will b e possible, a n d if so when, lo m o v e in the other direction, that is t o say g i v e free rein lo price alignments, with appropriate exceptions. The Committee would like to have the High A u t h o r i t y 's views regarding prospects of development on these lines. " (P o h l c r e p o r t .)

38. With regard to the steel market, the Committee has suggested to the High Authority that the recent abnormal increase in demand should be carefully studied with a view to determining its real significance.[36]

39. The High Authority has been urged to take energetic action in respect of steel firms which fail to comply with its decisions concerning the fixing and publication of prices.

40. The Common Market Committee considers that the present arrangement[37], regarding the publication of steel price schedules is too rigid. It would be advisable to publish from time to time a table of the scheduled prices charged by producers in the Community, so that these may be given maximum publicity. In case there should be a fall in the demand, the High Authority would do well to study the problem in advance and make known its intentions in the matter.

41. The Common Market Committee has asked the High Authority for information regarding the prices of pig-iron imported from outside countries. It appears that they are, in general, 20 % below those of the Community, but that this is due entirely to the availability of cheap supplies from Russia. On the other hand, in certain non-Community countries such as the United Kingdom, the price of crude steel and sheet is higher than in the Community.

42. With regard to scrap, the Committee considered that the Community should if possible avoid admitting to a shortage which might cause serious legal and economic complications.

3.2. Investments

43. The American loan, which was intended mainly to finance the industrial investment programme, involved the High Authority in problems of two kinds :

43.1. The procedure to be followed in considering applications and granting loans ;

43.2. The principles of a financial policy, especially as regards credits and guarantees. On both these points the High Authority consulted the Committee on Investments, Financial Questions and Production Development. It adopted some of the suggestions of this Committee, and in the light of the views expressed extended the scope of certain measures it had already taken. With regard to the first point, the Committee felt strongly that it should be clearly recognised that the actions of Government representatives in regional committees on methods of finance in no way impaired the supranational functions of the Committee. The Committee stressed that these bodies, being of a merely advisory character, could in no way influence the taking of decisions, which must always be considered exclusively from the supranational standpoint.

44. As regards the allocation of the funds, it is noteworthy lhat the High Authority, at the Committee's suggestion, adopted lower criteria in respect of coking plants. Estimating that existing coke ovens could meet all requirements for the next three years, the High Authority abandoned its original plan to increase coke producing capacity, and approved certain projects only inasmuch as they aimed at increasing the output of oil-gas, in particular by the construction of fully-gasefying producers.

45. It was also on the Committee's advice to concentrate on bringing down costs that the High Authority abandoned its plans to increase productive capacity in the coalmining industries. Exceptions to this principle were justified in the case of investment programmes for the Ruhr, Aix-la-Chapelle and Lorraine coalfields. Expansion in these areas is, however, offset by a falling off in production, with the closing down of other mines which by their geographical location or difficult working must be considered as marginal.

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36. " I n order l o e s t i m a t e the future p o s i t i o n of t h e s l o cl market, it must first be ascertained whether these recent d e v e l o p m e n t s are due entirely to the general economic situation, to structural changes or l o an artificial demand c r e a t e d by rearmament. A careful assessment must be m a d e of the progress a c h i e v e d towards the o b j e c t i v es of the T r e a t y b y an increase in the use of steel for nonm i l i t a r y purposes. The C o m m i t t e e hopes that l o n g - t e rm forecasts will b e m a d e b y the High A u t h o r i t y and embod i e d in a d o c u m e n t dealing w i t h the general p o l i c y for the steel market. As in the case of coal, reference has been made to various studies b y the 0 . E. E. C , the U. N. and the Iron and Steel B o a r d . " (Pohle report.)

37. I t will b e r e m e m b e r e d that the Court of J u s t i c e , by i ts j u d g m e n t of 20th December, 1954 upon the appeals l o d g e d b y the French and Italian Governments, reversed the decision (N o . 2-54) of the High A u t h o r i t y authorising the " Monnet margin, " i. e. permission to charge up to 2.5 % a b o v e or b e l ow the published prices without o b l i g a t i o n to p u b l i s h new schedules, this difference t o be c o m p u t e d over a p e r i o d of s i x t y d a y s ' trading.

46. Lastly, noting that the American loan had caused disturbances in the European money market, the Committee urged the High Authority to try to achieve even more positive results by stimulating that market in every possible way.

47. An investment policy is only feasible in the long run if its general aims are defined in advance. Here the High Authority encountered numerous obstacles, so that, as from November 1952[38], it has had to proceed by a series of approximations.

While realising that the task of the High Authority is far from easy, the Committee on Investments and Financial Questions has complained of the delay in reaching decisions on fundamental points. In the meantime, the Committee has turned its attention to certain estimates in the Report on the Situation of the Community of November, 1954, in connection with the establishment of a coal policy and forecasts of steel consumption in the coming years. In its discussion of the High Authority's forecast that even a slight increase of national coal production would bring an increase in consumption, the Committee felt impelled to urge upon the High Authority the need for caution in its estimates of coal consumption in the near future. The Committee was also surprised at the absence of any estimate of the desirable level of iron ore production. The Committee asked the High Authority for detailed information on the progress of investment schemes in the industries of the Community, so that it may form an opinion in full knowledge of the facts.

The Common Assembly warmly welcomed the statement by the President, M. Mayer, that the High Authority can now devote more attention to long-term plans for the expansion of industries in the Community.[39] The Assembly urged the High Authority, in its study of long-term prospects, not to dissociate the purely economic from the social aspects. Accordingly, in asking the High Authority to study the difficult situation of certain mines, the Assembly emphasised their importance as a source of livelihood and their value to the European national and regional economy. The Assembly also drew the attention of the High Authority to various long-term problems (maintenance of coalmine output; concentration of pit machinery; iron ore supply; effects of unco-ordinated capital investment at different stages of steel production; effect of increased production on production costs.) The Assembly considered that al these points called for further study.

The Treaty attaches as much importance to short-term forecasts as it docs to the periodical formulation of general programmes.[40] It should of course be the policy of the High Authority as far as possible to bring the programmes of both types into line. The Assembly has asked the High Authority to turn its attention to this branch of its activity and to publish its first short-term programme by 1st January, 1956 at latest.

The Assembly also stressed the need for the High Authority to work out a policy for the co-ordination and direction of cajntal investments.[41] Lastly, the Assembly stressed the economic and social advantages of the re-adaptation measures agreed upon by the Special Council of Ministers.

The Ministers have in fact waived certain requirements of Section 23 of the Convention containing the transitional Provisions so that the contribution paid by a Government as a counterpart to the assistance granted by the High Authority may now be applied to the financing of new activities under a programme of industrialisation or conversion.

As was said above, the work of the Common Assembly will be meaningless and ineffective unless its members are fully informed of current problems. In the case of some of these problems, printed information is inadequate "without first-hand knowledge of the situation. This is particularly true of the Italian industry, the future development of which is of special interest since it involves delicate questions of interpretation or even revision of the Treaty. The Committee on Investments accordingly sent a mission to study the situation, from 25th to 27th January, 1955, a visit which though short, enabled those participating to form a clearer idea of certain problems and draw certain general conclusions. The Committee pointed out to the High Authority that the Italian steel industry, despite the special protection it enjoys during the transition period, might still be

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38. D a t e of m o o t i n g of Committee of E x p e r t s under the Chairmanship of Professor Tinborgon.
39. See R e s o l u t i o n on p r o b l e m s w i t h i n the c o m p e t e n ce of the Committee on I n v e s t m e n t s , Financial Questions and P r o d u c t i o n D e v e l o p m e n t a d o p t e d b y the A s s e m b ly on 24th June, 1955. See also speech b y M. Mayer in A s s e m b l y , 21st J u n e , 1955.
40. Sec T r e a t y , Art. 46, t h i rd paragraph, p o i n t 2. Seo also s p e e c h b y M. de Menthon, R a p p o r t e u r , in A s s e m b l y , 22nd June, 1955.
41. " Thi s need, w h i c h m a y h a v e a p p e a r e d h i t h e r t o as an a b s t r a c t e c o n o m i c pre-requisite or legal o b l i g a t i o n under the Treaty, has n o w boon d e m o n s t r a t e d b y the concrete facts, which seem to us to call for p r o m p t action. " (do Menthon, toc. cit.).

unable at the end of that time to bring its production costs down to a competitive level on the world market. The Committee also studied the problems of the coal basin of Sulcis in Sardinia, where marginal mines are still being worked. The Committee raised certain questions relating to :

the future of these mines and the possible consequences of measures to keep them in operation;

the possibility of interpreting certain provisions of the Treaty in such a way as to promote the economic development of Sardinia in fields other than the coal industry and thus create new outlets for the coal produced.[42]

3.3. Transport

48. The question of transport is of cardinai importance to the Community. Coal, Iron ore and steel represent, in fact, no less than 40 % of all trade between the six countries, and transport charges have a considerable effect on the cost of raw materials. The powers of the High Authority in this field are, nevertheless, limited, and heavy responsibilities still fall upon the Governments. The Common Assembly and its competent Committee have therefore boon obliged to approach the Special Council of Ministers, urging it to give careful consideration to the measures proposed by the High Authority and to conduct its work in close co-operation with the latter.

49. The Committee on Transport, while reserving its opinion on how to give effect to the measures proposed, unhesitatingly declared itself in agreement with the High Authority on the three main principles of the High Authority's plan for the introduction of international through-rates :

49.1. that these rates should be applicable to all Community traffic;

49.2. that all charges at frontier crossings should be abolished;

49.3. that the rates should be uniformly tapered on the basis of total distance of delivery in the Community area.

50. The Council of Ministers has now reached agreement on the progressive introduction of international through-rates for rail transport. The Assembly has, nevertheless, continued its efforts to stimulate further achievements in the field of transport in general.[43] The Committee on Transport, and later the Assembly, felt that international through-rates for coal and steel only could not remain indefinitely singled out from the long-established general structure of freight rates on national railways without causing serious economic disturbances in the member countries. Furthermore, these matters are inter-related to such an extent as to make it an inevitable step to standardise charges and conditions for the transport of coal and steel by rail, road or water.[44] The harmonisation of these charges is • a logical necessity and is explicitly prescribed by the Treaty. The obvious conclusion to be drawn from the foregoing considerations is that, slowly but surely, we must progress from these special arrangements for the rail transport of certain commodities to the co-ordination and integration of the entire transport system of the six countries. A project of this magnitude can only be carried through by progressive stages after careful and through preparation, and, above all, with the support of public opinion. The Assembly has accordingly put before the Council of Ministers proposals for the institution of a new permanent organisation, while acknowledging that the integration of transport, although implicit in the spirit of the Treaty, does in fact lie outside the Community's terms of reference. This new committee, consisting of a small number of experts appointed for their personal qualifications, would have the task of elaborating proposals for the integration and co-ordination of all European traffic, and of placing these proposals before the Transport Ministers of the six countries, the Special Council of Ministers and the High Authority. It would present to the Common Assembly an annual report on its activities.[45] By its studies and

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42. See R e p o r t b y M. Deist, on behalf of t h e Committee, o n local studies of the Italian coal and steel industry (D o c . No. 21, 1954-1955). See also supplementary R e p o r t b y M. de Menthon on the problems within the c o m p e t e n c e of t h e Committee, and para. 8 of the Resol u t i o n of 2 4 t h J u n e , 1955.

43. M. V e n d r o u x ' remarks on this s u b j e c t are worth recalling : " The establishment of international throughrales, which was held up for so long b y Government disagreement, is a striking confirmation of the vigour of our institutions. This desirable result was achieved v e r y largely through the endeavours of the A s s e m b ly and its c o m p e t e n t Committee. " (Common A s s e m b l y, Ordinary Session, 1954-1955, 24th June, 1955.)

44. See R e p o r t b y M. P. J. K a p t e i j n on behalf of the T r a n s p o r t Committee on problems of t r a n s p o r t within t h e C o m m u n i t y (Doc. n° 15). A R e s o l u t i on the same s u b j e c t a p p e n d e d t o a s u p p l e m e n t a r y report b y M. K a p t e i j n was a d o p t e d b y the A s s e m b l y o n 12th May, 1955.

45. I n c o n n e c t i o n w i t h this p r o p o s a l to set up a Comm i t t e e of E x p e r t s , M. K a p t e i j n , R a p p o r t e u r of t h e Transp o r t C o m m i t t e e , has drawn up a list of t h e main internat i o n a l organisations w o r k i n g in this field. I t is f o u n d that there are at present : •— 5 internationa l organisations c o n c e r n e d w i t h transport i n general;

proposals and by stimulating public interest, the Committee should gradually set up favourable conditions for the adoption of new measures in connection with transport, ft would be desirable for the Swiss and Austrian Governments to be represented on this Committee.

51. At the Messina Conference, the six Foreign Ministers of the Community dealt with transport problems, but left untouched the general problem of co-ordination and integration. The Common Assembly has therefore asked the Special Council of Ministers for information on the measures it is proposing to take in pursuance of the Resolution of 12th May, 1955.[46]

3.4. Social Affairs

52. The powers conferred upon the High Authority in this field being limited, the Assembly has done its utmost to induce the High Authority to interpret and use them in the most liberal spirit. If these powers arc not so interpreted, it will be difficult, if not impossible, to achieve the social aims set forth in Article 2 of the Treaty.

53. In the negotiations concerning implementation of Article 69 of the Treaty (free movement of labour) the High Authority has been unable to do more than " guide and facilitate " the action taken by Member States (cf. para. 5 of this Article). Consequently, both the Committee on Social Affairs and the Assembly have approached the Council of Ministers with a view to obtaining certain modifications of the draft Agreement on movement of labour, which they contend is not entirely in the spirit of the Treaty, being excessively restrictive in certain ways.[47] Thé Assembly feels strongly that these modifications should be studied without delay and has urged its members to take appropriate steps in their national parliaments.

54. With regard to re-adaptation, the attitude of Governments and even of private firms has been such that progress with the policy laid down in the Treaty has been extremely slow, in spite of the High Authority's endeavours. The Assembly has asked the High Authority to interpret as widely as possible the provisions of the Treaty, and has urged the Governments to inform the High Authority of cases where these provisions have been applied. It has also recommended that the Council of Ministers should take the most sympathetic view of any requests made to it in this matter. Furthermore, the Committee on Social Affairs has expressed the wish to be kept informed by the High Authority on the general situation of migrant workers, having in mind the psychological consequences of removal to a strange country.

55. The Assembly warmly approved the results of the High Authority's work in connection with vocational training. It also considered that the High Authority should make use of the means at its disposal under the Treaty to conduct an enquiry into the shortage of skilled labour and inadequacy of training facilities in the Community. This should lead to an improvement in training schemes, with particular regard to industrial safety.

56. The Committee on Social Affairs has also discussed, on the basis of statistics supplied by the High Authority, the general situation and trends of employment in the Community. In view of the High Authority's observation that while concentration of industry increased productive capacity it also meant a reduction in labour requirements, the Committee urged the High Authority, before authorising concentrations, to consult as far as possible the interests of the workers involved.

— 4 organisations concerned w i t h inland w a t e r w a y s; — 9 international organisations c o n c e r n e d w i t h railways, some of w h i c h are i n t e r g o v e r n m e n t a l , some n o n - g o v e r nm e n i a l and others m i x e d; — 2 international organisations for road transport.. The Committee rules out the p o s s i b i l i t y of having recourse lo organisations w h i c h are concerned with transport only in c o n n e c t i o n with -'broader activities (O. E. E. C. a n d E. C. E .) , or w h i c h arc too specialised and influenced by particular interests. The Committee does n o t consider t h a t the Permanent Conference of European Ministers of Transport is in a p o s i t i o n l o s t u d y proposals for lho i n t e g r a t i o n and c o o r d i n a t i n g of transport since : (a) its a p p r o a c h to these p r o b l e m s cannot be said to be truly European; (J) its p r o g r a m m e is a l r e a d y too h e a v y. I l should n o t be s u p p o s e d thai the n e w C o m m i t t e e will ignore the e x i s l i n g international organisations. On the c o n t r a r y it should put forward proposals only " after c o n s u l t i n g these organisations. " (K a p l e i j n report, p . 2 1) . Sec also formula a p p r o v e d at m o r n i n g S i l l i n g , 12th May 1955.

46. See Second S u p p l e m e n t a r y Report of Transport C o m m i t l e e (M. K a p l e i j n , D o c . N o . 42, 1954-1955) and resolution of the A s s e m b l y , 2 4 t h June, 1955.

47. The following are the modifications suggested : (1) t h a t migrant workers m a y be free t o s e e k e m p l o y m e n t w i t h o u t a p p l y i n g t h r o u g h national labour bureaux; (2) t h a t a central l a b o u r exchange b e set up in the Comm u n i t y ; (3) t h a t an i n d e p e n d e n t tribunal be established to adjud i c a t e in cases where e m p l o y m e n t agencies h a v e withheld l a b o u r cards. (See R e p o r t of Committee on Social Affairs, M. Bertrand.)

57. The Committee also considered the question of unemployment due to modernisation and rationalisation. It was agreed that it was inevitable that men should be laid off, and this was a sign of social progress if other openings were created at the same time. On the Committee's proposal, the Assembly therefore asked the High Authority to do its utmost to induce the Governments to pursue a policy of economic expansion.

58. With regard to the question of workers' houses, the Assembly asked the High Authority to make available to building contractors the results of the existing experimental housing scheme and to carry out another economic and technical research programme, including a more detailed study of certain special problems.

59. Up to now the risk of exchange depreciation has prevented the use of part of the American loan to finance housing schemes. The Assembly has asked the High Authority to do what it can to minimise these difficulties, and has begun, through those of its committees concerned with the fund, a legal study of the possibilities of workers' housing construction allowed under the Treaty. The main question is whether financial assistance can really be granted under the heading of re-employment and whether loans can be made at low rates of interest. It was emphasised that any financial help by the High Authority should be regarded only as supplementary to the schemes to be carried out with the resources available to Member States themselves.

60. With regard to the harmonisation and improvement of living and working conditions, the Assembly, while welcoming the steps taken by the High Authority, particularly its enquiry into the situation of workers employed outside-their own countries, suggested :

a. that the High Authority and the six Governments, in conjunction with employers' and workers' associations, should prepare measures for the gradual harmonisation of regulations on working conditions.;

b. that the High Authority should by means of levies raise the necessary funds to give full effect to its social programme.

61. The Assembly has also concerned itself with questions relating to industrial health and safety in the coal industries of the Community. The Assembly has congratulated the 'High Authority on the progress made and has suggested that it should now make a statistical survey of safety precautions and circulate information on the most effective preventive measures at present applied. The efforts made in this direction should be co-ordinated by an ad hoc committee. The High Authority should at the same time take similar steps in regard to the steel industry.

3.5. External relations

62. The agreement with the United Kingdom fulfilled a desire many times expressed by the Common Assembly and the Committee on Political Affairs that every effort should be made to establish a close and lasting association, such as was called for by the Treaty setting up the Community.

63. Though this agreement fell short of some of the hopes originally expressed, the Committee on Political Affairs noted with satisfaction certain of its positive aspects[48] in particular that the British Government had for the first time agreed to discuss the British price structure with the High Authority. The Agreement held out good prospects of concerted action on problems such as the relationship between coal output and other sources of energy, raw material supplies, research, social matters and the general aims of an investment policy.

64. Council of Association are subject to parliamentary control, in that the Assembly is entitled to ask the High Authority for any information it may desire, except as regards the discussions and working papers of the Council, which under Article 4 (3) of the Agreement are not to be made public. The Committee on Political Allah's has asked the High Authority, with the concurrence of the British representatives, to relax the secrecy rule whenever possible.

65. A delicate problem already referred to by a number of British speakers is that of relations between the Common Assembly and the British Parliament. As far as wo can make out at present, it does not seem likely that there will be more than occasional meetings between members of the two bodies to discuss the report of the Council of Association.

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48. See R e p o r t of the Committee on Political Alfairs (Mlle. K l o m p é) on the Agreement concerning relations b e t w e e n the K. C. S. C. a n d the United K i n g d o m.

66. The opening of the common market in special steels led to negotiations between the High Authority and Austria as an exporter of these products. The object was to fix the customs duties to be imposed by the Community on goods for the Italian market, but the negotiations were inconclusive.[49] After considering the course of the negotiations, the members of the Committee on Political Affairs found that the High Authority had acted in a liberal, conciliatory spirit, with due regard for the special situation of Austria, às had been recommended by the Committee and by the Assembly.[50] The High Authority could not afford to neglect the interests of member countries of the Community; furthermore it had to bear in mind that concessions in favour of Austria would automatically have been extended to all the GATT countries.

67. In any event, as regards relations with Austria and other third countries, both the Assembly and the Committee have strongly stressed that no country can claim benefit of the common market while declining the obligations devolving upon Members of the Community. It is clearly stated in the Treaty that membership of the Community is open to all European countries.[51]

68. The Committee on Political Affairs drew the attention of the Assembly and the High Authority to the preparations in progress for the establishment of a common Scandinavian market in a variety of products, including steel. The Committee hoped that relations would be established with this Scandinavian organisation.

69. The Committee noted that relations between the Community and the international organisations were developing in a spirit of cooperation and mutual understanding. With regard to G. A. T. T. the Committee closely examined the criticisms and reservations of the Contracting Parties in relation to the High Authority's policy, and found :

tha t the apprehension of the Contracting Parties that the Community might tend to isolate the six countries economically and reduce their trade with third countries was not borne out by the facts; on the contrary, the trade returns for the Community countries with third countries and among themselves showed that the High Authority's policy was liberal and expansionist;

tha t the export prices of firms in the Community were lower than those charged on the world market by the United States and United Kingdom, and were not appreciably higher than the internal prices of the Community; they came within the " equitable limits " referred to in the Treaty.

70. The Committee also objected to the interpretation placed by certain third countries upon the exemption allowed in the case of the Community by the G. A. T. T. organisation. Commitments undertaken under the Treaty by Member States or the High Authority were subject to the supervision of the Common Assembly; the Contracting Parties to G. A.T.T. had no watching brief over them.

3.6. Working Party

71. The Working Party set up in May, 1955 has begun its activities.

It has been divided into two sub-Committees :

71.1. Sub-Committee on institutions;

71.2. Sub-Committee on powers and competence.

The Sub-Committee on institutions is studying questions concerning the structure and powers of the Common Assembly, namely :

71.1. the relations of the Common Assembly with international organisations for purposes of gathering information ;

71.2. changes in the internal organisation of the Community which may be effected without amendment to the Treaty, in order to improve the functioning of the Common Assembly and render its work more effective;

71.3. changes in the powers of the Assembly by amendment of the Treaty;

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49. T h e H i g h A u t h o r i t y p r o p o s e d for F r a n c e and Germ a n y an a v e r a g e rate of 8 % for t h e tariff quotas assessed o n figures for t h e y e a r s 1951, 1 9 5 2 a n d 1953. F o r I t a l y , the i m p o r t duties w o u l d b e r e d u c e d f r om 22-23 % t o an average of 16 % .

50. See R e s o l u t i o n of 1 1 t h May, 1954.

51. S e e M . W i g n y ' s a p p e a l t o t h e H i g h A u t h o r i t y : " W h a t e v e r c o u n t r y we h a v e in mind—B r i t a i n , the S c a n d i n a v i a n c o u n t r i e s or A u s t r i a—i t s h o u l d b e y o u r c o n s t a n t concern t o e n d e a v o u r t o w i d e n our f r o n t i e r s . " (C o m m o n A s s e m b l y , Ordinary Session, 1954-1955, S i t t i n g of 2 4 t h June, 1955.)

71.4. problems involved in election of members of the Assembly by universal suffrage;

71.5. questions concerning the establishment of new institutions in the event of an extension of competence.

72. The Sub-Committee on powers and competence will examine the following questions :

72.1. measures to ensure the full implementation of the Treaty, without amendment to the text;

72.2. extension of the Community's powers in connection with coal and steel necessary for the full realisation of the objectives prescribed by the Treaty;

72.3. the extension of the present partial integration to other sectors of the economy, within the framework of the E. C. S. C. or otherwise;

72.4. the development of general economic integration with a view to the establishment of à European common market;

72.5. study by the Assembly of problems arising out of the further development of European integration.

73. Part of this extensive programme of work is to be completed by October, when the Government experts are expected to make known their findings. Rapporteurs have been appointed for all questions within the competence of the Working Party. The Working Party will co-operate with the Committee of Government Experts in order to avoid duplication of effort.

74. Close contacts will also be maintained with the High Authority to ensure the necessary collaboration for the work in hand.

4. III - Relations between the Community and the Council of Europe

75. The Committee on Political Affairs has noted with satisfaction the favourable development of relations between the Common Assembly and the Council of Europe.[52] An important factor in maintaining close and permanent relations is the presentation of an Annual Report on the activities of the Common Assembly. After the experience of the first report by M. Poher, the Common Assembly has arranged for the report to be submitted to the Consultative Assembly in good time to be thoroughly discussed by the Committees and placed on the Agenda for the September Session.[53]

76. Another organic link between the two Assemblies is provided by the joint meetings held annually for an exchange of views on the General Report presented to the Common Assembly by the High Authority. It has been suggested that at these meetings the Common Assembly should not merely hear the comments of representatives of third countries, but that members should put questions in order to elicit supplementary information for the benefit of the High Authority.[54]

77. Satisfaction was expressed in the Common Assembly at the opinion of the Committee on Political Affairs that the legislative body of W. E. U. should submit to the Common Assembly an annual report on its work, and that detailed arrangements for future collaboration between the Community and W. E. U. should be laid down by agreement between the two organisations.[55]

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52. See Report. o£ the Committee on Political Affairs (Mlle. K l o m p é) on the external relations of t h e Community and its future d e v e l o p m e n t (D o c . N o . 4 1954-1955, p . 1GJ. See also Report of Silting of 1st D e c e m b e r , 1954, Mlle. K l o m p é.

53. The difficulties which arose are referred lo in the K l o m p é r e p o r t . Article 4G of Rules of Procedure of the Common A s s e m b l y has been amended, on the proposal of the Commiltee on Rules of Procedure, Rapporteur, M. Carcaterra (Report of Proceedings, Extraordinary Session, N o v . - D e c . 1954, p . 1 2 3).

54. See T o i l g e n R e p o r t on s u p e r v i s o r y powers of the C o m m o n A s s e m b l y , p . 10.

55. See R e p o r t of p r o c e e d i n g s , S i t t i n g of 1st D e c e m b er 1954, Mlle. K l o m p é , R a p p o r t e u r of the Committee on P o l i t i c a l Affairs.