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Establishment of a European General Common Market

Report[1]
Committee on Political Affairs and Democracy
Rapporteur: Mr Marinus van der GOES - van NATERS, Netherlands

1. 1956 - 8th Session - Third part

A. Draft Resolution

The Assembly,

Considering that the problem of the integration of the whole or an essential part of the territory of free Europe should be viewed from the angle of general European policy, in other words, that it is Europe's duty to act whenever its general interests are at stake,

1. Welcomes the outcome of the OEEC study establishing the viability of a free trade area which should also take in the Common Market to be established among several of its Members;

2. Urges that, with regard to agriculture an effort should be made to find a solution such as may be satisfactory to all Members of the Common Market and will not hinder the subsequent establishment of a free trade area;

3. Declares itself in favour of a democratic and parliamentary control of all the financial, economic and social activities of the Common Market, since only in this way can the whole of free Europe, as represented in the Council of Europe, make its voice heard, whenever the general interests of Europe are at stake.

B.

1. Explanatory Memorandum by M. van der GOES van NATERS

1. Since the adoption of Resolution 101 (23rd October 1956) on a European general common market, the ideas and texts arising out of the Intergovernmental Conference and those examined by 0. E. E. C. have taken concrete form. It is worth while, in this connection, dealing with a few points of interest to Europe as a whole.

2. First, there are the problems arising out of the association of non-member countries with the common market through a novel procedure, namely the setting up of a free trade area around the common market. This would imply the adoption of identical rules for the abolition of customs tariffs and quantitative restrictions within the area, leaving the associated countries free to fix their own external tariff. It has become clear that the OEEC experts regard such an association as being entirely feasible; a conclusion which is also of vital importance from the political point of view.

3. Under this heading it might be worth recalling a decision of principle taken in Brussels to the effect that the common market and the free trade area would not be set up simultaneously, but that the common market would come first. This decision is particularly important with regard to the problem of agriculture. Last October the situation was still not clear, and there were some suggestions that any reference to agriculture should be deleted, even from the text on the Common Market. This suggestion was not adopted. While recognising the special position of agriculture, the Brussels Conference decided to include this sector in the common market. For political reasons, therefore, it is desirable that a satisfactory solution should be found to the problem of the inclusion of agricultural produce in the free trade area.

4. Another point of direct interest to the Members of the Council of Europe is that of the multiplicity of Assemblies. It has apparently been decided in Brussels to establish an Assembly for the common market. Yet all existing assemblies have taken a stand against a multiplicity of European assemblies. The Consultative Assembly has expressed its opposition in its Recommendation 101 and in the report presented by M. Mommer, on the rationalisation of European parliamentary activities (Doc. 597); the Assembly of W. E. U. did so in M. Struye's very fine report of 15th December 1956, and the Common Assembly in a Memorandum, dated 18th December 1956, in the name of M. Gozard, the Working Party's Rapporteur on institutional questions. Thus, if we succeed in convincing our own parliamentary groups and if our parliaments bring their full influence to bear on our Ministers, we shall achieve our object either before or after the ratification of the two new Treaties.

5. There are other problems which on the surface are of purely internal interest to the future common market, but which, nevertheless, concern us, too, namely those where the question of parliamentary control arises. It is clear that any real guarantee that Europe in its new form will not disintegrate into opposing pai'ties with different policies and tariffs must be sought at parliamentary level. That is why the above-mentioned report has urged the maintenance or establishment of personal links between all the Assemblies and why the Consultative Assembly—the Assembly most broadly representative of the European parliamentary system-— claims the right to remain Europe's parliamentary " pool". However, it is in the interest of us all—and here we must also bear in mind the excellent practice of having joint meetings—that the Assembly of the Common Market, our future sister-Assembly, should control all the activities of that market.

6. There is, however, a tendency to exclude the only organ of the Common Market subject to this parliamentary control, namely the European Commission, from the administration of the common market's major activities. This tendency is particularly noticeable with regard to the balance-of-payments policy and the management of the body to be set up to deal with investments, that is to say virtually with the economic modernisation of Europe. The complete or partial elimination of the European Commission, the only executive organ subject to parliamentary control, implies the suppression of the control itself— and, consequently, of the links our Assembly could establish with the parliament of the Common Market. A technocracy which should destroy democratic procedure within the common market would at the same time destroy the very fruitful links at present subsisting between the parliamentary representatives of the Six and the Assembly of the Fifteen. Such a situation would be intolerable not only to the parliamentarians of the ECSC countries but to us all.

7. The topical importance of all these points has been brought out by recent international developments. The Suez problem has not only revealed the need for new sources of energy but has also made it clear that there is a need for a real " merging of interests " between those countries which—as witness the settlement of the Saar question—are determined to " link their fates ". In the modern world, particularly in the countries of Asia and Africa, economic prestige counts for as much as military strength. Economic integration achieved through the establishment of a common market will mean something more than Europe ultimately submitting

to the economic law of the maximum result achieved with the minimum of effort; it will also restore throughout the world not only economic goodwill, but also the political and cultural prestige of Europe, the final loss of which would be a fatal blow to world civilisation as a whole.