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To the Consultative Assembly on the activities of the Common Assembly of the European Coal and Steel Community form 1st July, 1955 to 30th June, 1956

Report

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1. INTRODUCTION

1. This third Report on the activities of the Common Assembly, prepared for t h e Consultative Assembly of the Council of Europe in accordance with the provisions of the Treaty instituting the European Coal and Steel Community, covers the period 1st July 1955 to 30th June 1956.

2. The custom, which seems to be growing up, of discussing during the joint meetings of t h e members of t h e two Assemblies both the annual general report on the activities of the Community and the report of the Common Assembly has led the Rapporteur to view his task in a somewhat different way from that adopted by his distinguished predecessors. These have described with minute detail the powers, machinery, legal status and work of t h e Common Assembly. To avoid repetition this report will deal only with the salient features in the life of the institution during the twelve months under review.

3. Perhaps it would be appropriate first to recall that the evolution of the Assembly since 1952 has passed through two distinct phases : the first extending from the implementation of the Schuman Plan to the setback to the European Defence Community; the second which began with the Teitgen Resolution of 2nd December 1954 and is still in progress.

4. In the first phase the Assembly thought that a true European federation was imminent and, believing that it would itself be called upon to play in it a part similar to that of the national parliaments, it quite naturally claimed a corresponding extension of its powers. Outstanding features of this period were the constitution and remarkable activity of the Ad Hoc Assembly and the Constitutional Committee and the elaboration of a drafttreaty embodying the Statute of the Political Community.

5. The second phase began with the resolution of December 1954, previously mentioned. In this resolution, which helped to relieve the crisis precipitated by the refusal of the French Parliament to support E. D. C , the Common Assembly announced that it would uphold both the letter and the spirit of the Treaty setting up E. C. S. C , reaffirmed its determination to ensure the complete success of the Schuman Plan and gave the signal for what has come to be generally known by the somewhat inelegant term " the new drive for European integration. " The Working Party, created a few months later within the Assembly, was soon to facilitate by means of studies and personal research undertaken by its members, a truer appreciation of the position of the Community's institutions in relation to the national institutions. Thus it is that the Common Assembly has come to take up a position midway between the traditional international assemblies and the national parliaments. So, too, has it, above all, come to realize that it is quite impossible for the Community to achieve its objectives without the permanent collaboration of Member States.

6. The Working Party's contribution to this evolution is worthy of note. Its efforts have indeed led to a better knowledge of the problems of coal and steel, nuclear energy and the general common market and to a better understanding of the part played by countries and Community institutions respectively. In brief, its work of political science has helped and continues to help the Assembly fulfil its political mission. For, as Georges Lavau writes : " Though politics are not a specialised and restricted activity but one of the forms of man's influence upon the world and in history, they should be pursued from knowledge founded on reality. Is not therefore the role of political science to provide the elements of the knowledge of reality to enable action to be taken? " [1]

7. Bearing these considerations as a whole in mind, the present Report deals successively with :

the Common Assembly and problems confronting E. C. S. C ;

the Common Assembly and the " new drive for European integration " ;

the Common Assembly and questions of particular interest to the Consultative Assembly of the Council of Europe.

2. I - The Common Assembly and problems confronting E. C. S. C.

8. While it behoves the Common Assembly to be fully aware of the extent of its competence and ways of exercising it, it must also know whether appropriate use of the present provisions of the Treaty will enable the Community to attain its objectives or not. The initial reports of the Working Party have therefore only served to prepare the ground in these several spheres.[2]

2.1. A. Mission and powers of the Common Assembly

9. With regard to the powers of the Common Assembly, it was brought out that, while its task is to exercise political control over the High Authority's activity, it has no authority over the Council and Governments of the Member States, whereas the bodies in question possess Community-wide jurisdiction.

National parliamentary control should therefore supplement the supranational parliamentary control.

What is more, since no far-reaching action by the Community can be achieved by mere statutory measures without concurrent action by Member States, it is obvious that the national parliaments are called upon to play an important part.

10. The problem arises of collaboration between the Common Assembly and parliaments. Indeed, the key-problem of all European organisations seems to reside in the fact that , insofar as modern democracy makes national assemblies the supreme repositories of the sovereignty of nations, nothing lasting can be built up without their permanent co-operation.

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1. « Sciences politiques et science de l'homme » in Esprit, April 1956.
2. cf. Working Party, Sub-committee on Institutional Questions. Report on the structure to be given to the Common Assembly to render its action more efficient within the framework of the present provisions of the Treaty, presented by Mr. A. Poher, Rapporteur (November 1955). — Working Party, Sub-committee on Competences and Powers—Report on (1) measures capable of ensuring the full application of the provisions of the Treaty without amending it ; (2) the expansion of the powers of the Community, in coal and steel matters, necessary for the complete realisation of the Treaty's objectives, by M. Gerhard Kreyssig, Rapporteur (October 1955).

11. To this question is linked that of public information. No political idea can survive without widespread popular support. The Common Assembly is therefore seeking ways and means of making its existence and its action known.

With this in mind, it proposes to hold its Extraordinary Sessions in t u rn in the various capitals of the Member States of the Community. The first Extraordinary Session to be so held took place at Brussels last March and the experiment met with real success.

12. Though the Common Assembly cannot be altogetter unknown to the populations of the various countries, it must, if it is to become truly representative itself, be kept informed of public reactions.

It must also have at its disposal all the information necessary to enable it to carry out its task of political control. Bearing this in mind, it requested, and the High Authority agreed, that, in future, annual general reports on the activities of the Community should give not only an historical account of facts, but should set forth the High Authority's past and future general policy.

13. As regards the information necessary to the exercise of control, two fundamental difficulties remain.

The first is due to different interpretations of Article 47 of the Treaty concerning professional secrecy[3] ; The Assembly is inclined to accuse the High Authority of exploiting this clause when it suits the Authority to keep silent before the committees; the High Author i ty points out that in the event of violating professional secrecy, it would render itself liable to a claim for damages.

The second concerns the transmission of documents to members, especially the official records of meetings of the Consultative Committee. Some members of the Assembly consi der the Committee as a body of experts and, without first knowing their attitude, it is difficult to assess the action of the High Authority. The Consultative Committee itself considers t h a t such communication would deprive its members of their freedom of expression.

14. Perhaps the solution of these problems of reciprocal information and collaboration with the national Parliaments would be facilitated by appropriate action by the Assembly's political groups. Grounds for this belief are seen in t h e importance which these groups have acquired within the Community. Not only do speakers intervene frequently on behalf of their groups, but the latter are now beginning publicly to issue statements explaining their sometimes divergent attitudes on specific points. No doubt these are the first indications of political doctrines being formed at the European level.

A striking example is the very clear attitude of the Socialist Group during the last sitting of the Common Assembly. This Group, in a statement[4] which gave rise to a point of order, expressed its disagreement with the policy followed by the High Authority, especially in social matters, as shown in the fourth General Report.

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3. This Article roads : " Tho High Authority may gather such information as may bo necessary to the accomplishment of its mission. It may have the necessary verifications carried out. Tho High Authority shall not divulge information which by its nature is considered a professional socret, and, in particular, information pertaining to tho commercial relations or tho breakdown of the costs of production of enterprises. With this reservation, it shall publish such data as may be useful to Governments or to any other interested parties. The High Authority may impose fines and daily ponalty payments upon those enterprises which evade their obligations rosulting from decisions made in application of the provisions of the present article, or which knowingly furnish false information. Tho maximum amount of such fines shall be one per cent of the annual turnover and the maximum amount of such penalty payments shall be five per cent of tho average daily turnover for each day the violation continues. Any violation by the High Authority of professional secrecy which has caused damge to an enterprise may be the subject of a suit for damages before the Court under the conditions provided for in Article 40. "

4. Declaration by the Socialist Group in the Common Assembly Sitting of 22nd June 1956 : " The Socialist Group, having considered the general Report of the High Authority on the activity of the Community (11th April 1955, to 8th April 1956), notes, with regard to the period covered by the Report : (1) that, contrary to the wish unanimously expressed by the Common Assembly, the High Authority has maintained its passive attitude towards the delay in social progress compared with economic development and has shown reluctance to call the attention of national Governments and producers to the social obligations clearly arising out of Article 3 of the Treaty constituting the European Coal and Steel Community ; (2) that, by its policy, the High Authority has weakened its position within the Community itself as well as its supranational character by not using some of its powers thus allowing national Governments and groups of producers to perform functions proper to the High Authority particularly as regards the policy of coal prices and cartels; (3) that, in the absence of a clearly-defined coal policy, the High Authority has based its coal-prices on inadequate principles, thus freeing the price of coal and thereby weakening the High Authority's control; (4) that the High Authority has failed to supervise the execution of certain provisions of the Treaty and of certain decisions, especially those concerning readaptation and the implementation of the third paragraph of Article 48 of the Treaty; (5) that the High Authority's attitude towards the Assembly has not always helped it to exercise parliamontary control, even in cases where the Treaty made this possible.

As a result of this statement the two other Groups in the Assembly (Christian- Democrat and Liberal) also made statements[5] in which they expressed their confidence in the High Authority's action.

However, these developments did not do away with national delegations ; this became manifest in November 1955, when the Common Assembly renewed its committees.

15. This rapid review of the problems, disclosed by the study of the Common Assembly's powers, must include a question which has been on the agenda since 1952, namely that of budget control.

Without going back upon t h e unwritten law already evolved in this sphere, attention must be drawn to the Assembly's requests to consider and adopt the draft budgets of the institutions before they are approved by the Committee of four Presidents ; to have the yearly accounts of the institutions submitted for its approval ; and, lastly,-—and this implies an amendment of the Treaty—that it have the right to present a supplementary draft budget during a financial year.

Linked to this desire to see that the funds of the Community are judiciously spent are the repeated requests by certain members of the Assembly to abolish the privilege, held to be unwarranted, whereby members of the Community's staff are exempted from tax on their salaries. True, the organs of the Community cannot be reproached on this score as they are only applying the strict provisions of the Treaty, which are, in turn, based upon precedents already established by other international organisations. It is none the less certain that the growing number of international civil servants and officials exempted from taxation is creating unrest which many consider should, in the interests of the international organisations themselves, be dispelled as soon as possible.

2.2. B. The Common Assembly and the realisation of the aims of the Community

16. Alongside this attempt to fulfil efficiently its mission, the Common Assembly has examined the provisions of the Treaty to see whether they do in fact enable t h e Community's aims to be achieved and whether the High Authority is taking full advantage of the means put at its disposal for this purpose.

The conclusions reached on these points by the various committees of the Assembly are given in the report previously mentioned by M. Kreyssig, a member of the Working Party. In the main, they are as follows :

2.2.1. (a) Proposals for improvement entailing no amendment of the Treaty

17. The High Authority has been asked to increase its efforts in connection with industrial accidents and occupational diseases ; technical and economic research; publicity to be given to the work of the Community's institutions and co-operation with Governments with a view to regulating or influencing general consumption, especially that by public services.

18. With regard to the C ommon Market, the High Authority must do everything possible to abolish administrative obstacles, especially the system of licences for goods produced by the Community. It has been suggested that the High Authority draw up a memorandum on its iron and steel policy similar to that published on its coal policy.

19. Furthermore, it is essential to co-ordinate investments and to inform those concerned by publishing the programmes and general aims of the Community. It is also considered necessary to make it compulsory for enterprises to communicate their individual investment programmes to the High Authority.

20. In connection with transport t h e following discriminations, contrary to the Treaty, should be abolished :

disparity in inland waterway transport freight charges ;

discrimination in coastal traffic ;

discrimination in road transport.

The High Authority has omitted to submit to the Assembly reports on the general situation and has given the second paragraph of Article 47 too narrow an interpretation; Expresses, in the most formal manner, the misgivings inspired by the High Authority's policy. "

5. Declaration by the Christian-Democrat and Liberal Groups in the Common Assembly during the Sitting of 22nd June 1956 : " The Christian-Democrat Group, Having heard the statement made on behalf of the j Socialist Group after the vote on the resolution tabled i at the end of the debate on the general Report of the High Authority, notes that this debate has not led to I any conclusion other than those properly voted. I The Liberal Group supports this statement and confidently relies upon the High Authority firmly to pursue i the policy defined by the competent committees. "

21. In the social sphere special emphasis is laid on the importance of encouraging the building of housing accommodation for workers and the necessity of seeking in the Treaty means of giving financial help in addition to those at present employed by the High Authority ; the need to improve agreement on the freedom of movement of manpower ; the need, in connection with readaptation, for preference to be given to local re-employment by creating new activities rather than to transferring manpower.

2.2.2. (b) Proposals for improvement entailing amendments of the Treaty

22. It is in social matters that the shortcomings of the Treaty have become most apparent. The improvement in living and working conditions and the raising of t he standard of living did not automatically result from the existence of the Community, as under the Treaty it was expected that they would [6] . As soon as the transitional period has expired, it will therefore be necessary to invest the institutions of E. C. S. C. with powers commensurate with the social objectives to be attained.

In connection with readaptation, steps should be taken to grant the High Authority a right of initiative ; to ensure that the financial help for readaptation can be paid in the event of total or partial unemployment resulting from fluctuations in the economic situation ; to consider exempting the Government concerned from payment of its contribution to readaptation if it undertakes the creation of new activities.

The High Authority should be granted the right to convene joint committees.

Lastly, in order to standardise conditions of work other than wages, without prejudice to workers in industries extraneous to the Community, steps should be taken to introduce European social legislation.

2.2.3. (c) The Assembly in relation to action taken by the High Authority between 1st July 1955 and 30th June 1956

23. The foregoing conclusions of the various committees have, to some extent, served as criteria for the Common Assembly when controlling the action of the High Authority as described in the fourth General Report (with Appendices) on the activity of the Community for the period April 1955 to April 1956.

This Report was debated by the Assembly during its Ordinary Session of May-June 1956. The discussions dealt successively with the Common Market, investments, general objectives and the coal policy, transport, social and political affairs and the Community's external relations, and they resulted in votes on resolutions attached to this Report.

2.2.3.1. (i) COMMON MARKET

24. The principal subjects treated by the Common Assembly with regard to the Common Market refer to the application of transitional provisions, to general developments and to the operation of the Common Market.

25. In the case of transitional provisions— subsidies, zone-delivered prices, customs duties, etc.—the Assembly is happy to note that it has been possible to dispense with some of them before the estimated date. This is, however, a field in which it is unwise to be over-hasty. Measures in respect of the equalisation system for Belgian coal and the Sulcis collieries are still being considered. The Assembly hoped that measures would be taken in a spirit of solidarity leading to an improvement in production.

26. As for the operation of the Common Market in relation to general developments, the Assembly has pointed out the likely consequences of a shortage of smelting coke and scrap-iron upon development in the iron and steel sector. Lack of agreement between the Governments created a critical situation in the supplies of scrap-iron which the Assembly deplored, but it hoped the new regulation on imported scrap-iron would reduce consumption.

The Assembly paid particular attention to coal supplies. It emphasised the absolute necessity of a satisfactory and fair distribution to consumers in the Community.

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6. cf. Article 2 of the Treaty : " The mission of the European Coal and Steel Community is to contribute to economic expansion, the development of employment and the improvement of the standard of living in the participating countries through the institution, in harmony, with the general economy of the Member States, of a common market as defined in Article 4. The Community must progressively establish conditions which will in themselves assure the most rational distribution at the highest possible level of productivity, while safeguarding the continuity of employment and avoiding the creation of fundamental and persistent disturbances in the economies of the Member States. "

The price of imported coal supplies should, moreover, be reduced if only to avoid the alignment of the Community's coal at the higher level. The Assembly also asked the High Authority to ensure a more rational use of coal produced.[7]

27. The problem of cartels, the urgency of which has not saldom been emphasised by the Assembly, is treated at length in the fourth General Report on the activity of the Community.

Without wishing here to go over the facts once again it is as well to recall the main reactions of the Common Assembly to the solutions reached by the High Authority.

In November 1955 the High Authority explained to the Common Assembly how it intended to modify GEORG. The principles of this reform are known : replace six selling agencies depending from a joint office by three selling agencies to which a joint office would be subordinated.

The political groups in the Assembly took widely differing views of this formula.

On the one hand, the Socialists reproached the High Authority for not enforcing the Treaty. In their view the method proposed allowed of no control and it would have been better first to eliminate the cartels and then | start from scratch. [8]

The Liberal view was t h a t the dividing line between the powers of t h e High Authority and of the joint office is too vague : there is a risk that the latter would abuse its powers. Even more it was feared that the High Author i t y ' s control would not be sufficient. The Group would therefore wait to see the system in operation before passing definite judgment.

The Christian-Democrats, while congratulating the High Authority on having achieved definite and practical results, wondered if the de facto autonomy of the three groups was sufficiently assured.

Lastly, one Representative said the system proposed excluded all possibility of competition by reason of the " f. o. b. Ruhrort " clause.

No resolution followed the discussion on cartels in the Common Assembly, which reserved the right to form an opinion on the proposed formula once it was in operation.

At the session of June 1956 t h e Socialist group declared that it could neither openly nor tacitly approve the High Authority's cartel policy.

On the other hand, the other political groups of the Assembly considered that it would only be possible to judge of the transformation of cartels in the light of experience acquired after the new organs had been at work for some time [9].

2.2.3.2. (ii) INVESTMENTS[10]

28. The Assembly deplored the little attention given in the 4th General Report to the problem of co-ordinating investments to which the High Authority should give constant care.

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7. Appendix V, resolution adopted by the Common Assembly, sitting of 22nd June 1956, on problems relating to the Common Market.

8. This is the text of the Socialist Group's declaration at the sitting of the Assembly on 23rd November 1955 : " 1. Given the fact that the conditions of entirely free competition within the Community, especially for coal, are as often as not lacking, a certain organisation for sales and production is necessary. 2. Existing cartels, as producers' associations working on the principles of private enterprise, should be suppressed. 3. The organs to replace them—as part of the structure of the Community market—should fulfil the following conditions : (a) They should be based upon an expanding economy by ensuring the most rational distribution at the highest productivity level while preserving continuity of employment. (b) The structure of these organs should be such as to prevent a company or a group of companies from distorting normal competition or from dominating the market. (c) Their business should be conducted openly. (d) The organs should be placed under the supervision and permanent control of the High Authority. (e) The enterprises adhering to these organs may belong to different Member States. (/) The joint conduct of business does not mean that i t should be directed by a central management along rigid lines. Activities would be carried on in different ways according to the various categories into which they fell, depending on the state of the market in question. In all cases the High Authority should be allowed to intervene in order to rectify or determine the conduct of activities by these organs. "

9. Cf. Appendix V, Resolution adopted by the Common Assembly, sitting of 22nd June 1956 on problems relating to the common market.

10. Cf. Appendix VI, Resolution adopted by the Common Assembly on 22nd Juno 1956 on the financial policy and investments of the Community and on the general objectives and long-term policy.

It was essential that a fillip should be given to investment as the expansion in the iron and steel industry was hampered by bottlenecks in coke, pig-iron and scrap-iron. Moreover the needs of the iron and steel industry remained considerable.

The Assembly was glad to see that the High Authority had accomplished its task of information and notification, but it hoped that it would show greater boldness in the application of Article 54 of the Treaty. This Article provides for the obligatory declaration of investment programmes and authorises the High Authority to give opinions accompanied by appropriate arguments. They should be much more detailed and more precise.

Some Representatives asked the High Authority to take advantage of its opportunities to exert a direct influence on the investment programmes of enterprises by means of loans contracted in various countries to assist in the financing of investments.

29. The High Authority was asked to publish a general picture of the technical research work now being pursued in the Community's industries. The hope was also expressed that a greater proportion of available receipts would be devoted to research.

30. The Common Market and Investments Committees considered it necessary that a debate should be held on general aims and coal policy as early as the Ordinary Session of May-June 1956, since in the months to come the Commu nity will have to choose between a number of political alternatives.

The Assembly unanimously regretted the High Authority's delay in determining a long-term policy for coal, iron and steel. It pressed the High Authority to define this policy as well as the chief aims by October at the latest—which the High Authority has agreed to do—by assessing the results of the widespread consultations it has undertaken which, once completed, will enable it to assume a position.

Several speakers acknowledged that it was difficult to formulate the general objectives, because the Community constitutes only a partial integration and because the situation was constantly changing.

Long-term estimates for coal production must form part of a general survey embodying all sources of energy.

31. Coal policy must entail considerable expansion in the Community's production in order to ensure the independence of its supply. Given the fact also that cost prices take a necessarily upward trend as compared with industrial prices as a whole, owing to a lesser increase of productivity both in the collieries and in the conversion industries, it may be necessary for the Community to protect its collieries by a policy of subsidies designed to lower prices, or by sliding scales which would make it possible for Community coal to compete with imported coal and other sources of energy.

The Socialist Group in the Assembly stated that a coal policy was inseparable from a policy of subsidies. It asked the High Authori ty what attitude it proposed to adopt on this point. It considered it impossible to maintain the competitive position of the collieries where salaries were the highest in the face of salaries and prices in other industries.

The High Authority replied that the Treaty precluded subsidies except on rare occasions and was based on normal competition.

2.2.3.3. (iii) TRANSPORT

32. In respect of transport [11], the Assembly called attention to the peculiar position in which the High Authority found itself. Though Governments had transferred certain powers to the Community they had retained others and contracted obligations.

33. Contrary to certain forecasts the establishment of international rail through-rates had not upset coal and iron-ore transport ; on the contrary these had increased 10 % by rail and 30 % by ship.

34. As for road haulage, the principle of territoriality was preferred to that of nationality, as it eliminated existing discriminations. On this score, the Assembly stressed the importance of the obligation to publish rates —an essential step for eradicating discriminations.

35. With regard to the harmonisation of charges, the Assembly gave its full support to the High Authority and requested its members to persuade their national parliaments to support its action.

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11. cf. Appendix IX, Resolution on Transport adopted by the Common Assembly at its sitting of 22nd June 1956.

The Assembly welcomed the agreements concluded between Switzerland and the Community establishing international throughrates via that country and hoped that negotiations would be undertaken as soon as possible to conclude a similar agreement with Austria.

The Assembly requested the High Authority to review its policy of co-ordinating transport.

36. Replying to a member of the Assembly, M. René Mayer stated that the High Authority was interested in the proposed canalisation of the Moselle which would improve transport competitive conditions. The High Authority had not, however, had the project put before it and the Treaty gave it no powers in this field; it could therefore at present take no action.

2.2.3.4. (iv) SOCIAL AFFAIRS

37. The High Authority announced that, at the request of the Assembly, future reports would include all changes made in the social conditions of workers in the Community.

It pointed out that the Social Affairs Committee had already been informed of certain advantages desired by workers from the institution of the Common Market, but in view of t h e difficulty of obtaining exact information as to salaries and the complexity of the problem, it had not been possible to gather all documents in time to embody them in the general report.

38. In respect of a harmonisation of working conditions, M. Jean Rey, a member of the Special Council of Ministers, had, at its Extraordinary Session in November 1955, presented a report on the steps taken in Belgium to reduce working hours and subsequently announced the Council's decision to examine the working hours in the ECSC iron and steel industry and invited the High Authority jointly to nominate a committee of experts to carry out this study.

After debate the Assembly adopted a resolution setting out the workers' claims concerning working hours and requesting that the study undertaken be applied to the whole of the Community's industries [12].

The Assembly's Social Affairs Committee has prepared a report on this question which will be submitted at the next session.

39. In the same field of social affairs[13], the Assembly regretted that the High Authority's powers were limited. Though the Treaty provided for certain measures to be taken by mutual agreement by the High Authority and the Governments, it did not specify who should initiate action.

The Socialist group asked the High Authority systematically to seek solutions within the framework of its assigned tasks.

The Assembly desired that future reports include a special paragraph dealing with the interdependence of the general situation and the social conditions of workers.

40. On the question of manpower, the Assembly noted a growing shortage of colliery staff. It requested the High Authority to make every effort to improve miners' social and material conditions.

It regretted that the High Authority had not undertaken an enquiry into the shortage of skilled manpower, as requested by it.

This shortage was apparent in the iron and steel industry of certain countries, whereas in others there was unemployment. The Assembly also attached particular importance to the free movement of labour and deplored the Governments' slowness in conforming with Article 69 of the Treaty. Free movement would be eased by the harmonisation of living and working conditions in the industries of the Community's various countries. Every thing possible should be done to achieve this.

The High Authority informed the Assembly that the Ministers of Labour, meeting at Luxembourg in June, asked it to put forward conciliation proposals to the Governments. These are ready and the High Authority hopes that an agreement will be signed in a few months' time.

41. In view of the importance the Assembly attaches to technical education, the High Authority announced the forthcoming creation of vocational training centres.

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12. The text of this Resolution will be found in Appendix I.
13. cf. Appendix VII, Resolution concerning social questions and Appendix VIII, Resolution concerning social activities for the benefit of the Community's workers.

42. In the matter of housing construction, the Assembly would like to be sure t h a t steps taken by the High Authority are additional to and do not overlap national or professional programmes. It welcomed the new construction credit and asked the High Authority immediately to consider the launching of a second workers' housing experimental scheme.

"With regard to financial assistance for construction, the Assembly has made efforts to seek out every possibility open to the High Authority in this field.

Certain members of the Assembly were inclined to think that supplementary interest could be granted by drawing on the levy. To avoid all misunderstanding, however, it must be realized the Treaty would have to be amended to cover this contingency.

In any case, there is nothing in law to prevent receipts from interest being directed to loans at reduced rates for building purposes.

43. So far as re-adaptation was concerned, the Assembly considered that close collaboration was essential between the High Authority, the Governments concerned, the employers and the workers. The enquiry commission set up in France and Italy by the Social Affairs Committee of the Assembly had shown that insufficient advantage had been taken of the terms of paragraph 23 of t h e Convention. High Authori ty action should be much more direct. It should assess measures of re-adaptation on the spot and establish contacts with the competent local authorities and organisations.

Moreover, employers and trade unions should be more fully informed of the provisions of the Treaty concerning re-adaptation. The enquiry commission had thus enabled the Assembly to exercise strict control over the High Authority's action and to conclude that readaptation was not yet up to the mark.

2.2.3.5. (v) POLITICAL AFFAIRS

44. The High Authority's general report on the Community's relations with third countries was considered too brief. That was the only criticism, — a mere detail — made on this point.

The Assembly welcomed the agreements signed with third countries, such as Austria and Switzerland. These agreements have clearly shown that, contrary to the fears expressed last year by the Council of Europe, the High Authority, far from shutting the Community's doors, tries to open them by arranging various and elastic systems of liaison with other countries.

The Assembly considered relations with Denmark. It asked the High Authority to watch over the evolution of export prices, while noting that prices charged by the Community were " fair " in accordance with the aim of the Treaty [14].

45. The Assembly debated the parliamentary relations between Great Britain and t he Community.

It adopted a resolution in favour of a joint committee, of purely consultative status, composed of 9 members of the Assembly and 9 members of the British Parliament.

As the creation of this committee implies the agreement of the Council of Association, the Assembly invited the High Authority to approach the Council and the competent British authorities on this subject[15].

2.2.3.6. (vi) CO-OPERATION BETWEEN THE HIGH AUTHORITY AND GO VERNMENTS

46. All the problems referred to above, particularly those of coal policy, general objectives and transport, have again brought to light the difficulties arising from partial integration in a community of States maintaining their economies and therefore their own interests.

That is why emphasis has been laid upon the need for close co-operation between the High Authority and Member Governments in economic sectors not covered by the Treaty.

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14. Article 3 (c) of the Treaty : " Within the framework of their respective powers and responsibilities and in the common interest, the institutions of the Community shall seek the establishment of the lowest prices which are possible without requiring any corresponding rise either in the prices charged by the same enterprises in other transactions or in the price level as a whole in another period, while at the same time permitting necessary amortization and providing normal possibilities of remuneration for capital invested. "

15. cf. Annexe IV, Resolution on the creation of a Parliamentary Committee in the framework of the Council of Association.

Direct co-operation between the High Authority and the Governments (without the participation of the Council of Ministers) is required in the economic sectors directly affecting coal and steel.

47. The Assembly has, moreover, asked that greater publicity be given to the work of the Council of Ministers. Public opinion would thus be better informed, and the Assembly could draw useful conclusions on the activity and the measure of co-operation of each of the Member States.

For the first time all the members of the Special Council of Ministers attended the previous session of the Assembly. Its Chairman, replying to a request made by a member of the Assembly, said he was ready t o propose to the Council that it consider the desirability of explaining to the Assembly measures taken by the Council and the reasons for them.

He confirmed the Ministers' wish to strengthen the links between the institutions of the Community and to improve the co-ordination of their activities.

2.2.3.7. (vii) FINANCES OF THE COMMUNITY

48. The Assembly once again emphasised the insufficient power of control granted it by the Treaty in administrative matters.

It asked the High Authority to send it in the future a draft estimate of its resources and their allocation.

It noted with satisfaction that its own draft budget had not been criticised by the Auditors, and that estimated expenditure for the financial year 1956-57 showed a marked reduction.

It regretted the considerable changes which the practice of transfers made to t he estimated amount of resources and their allotment for various purposes in the High Authority's draft budget. It pointed out in this respect that the transfer of credits should be the exception rather than the rule.

2.2.3.8. (viii) AUTOMATION AND NUCLEAR ENERGY

49. The Assembly discussed a motion for a resolution put forward by the Socialist group urging the High Authority to study all aspects of automation and the peaceful uses of nuclear energy, their technical and social consequences, and their repercussions on the working population; t h e management of enterprises, and the adaptation of production processes in the Community.

After an exchange of views with the High Authority, the Assembly decided to refer this motion to the competent committees (Committees on Investments, Common Market and Social Affairs).

3. II - The Common Assembly and the " new drive forEuropean integration "

50. " It was your message in December 1954 after the failure of E. D. C. which reopened the European path. In this respect you have the right to be considered as the true sponsors of the new drive, " declared M. Paul-Henri Spaak, Chairman of the Intergovernmental Committee set up by the Messina Conference, in the Common Assembly on 13th March 1956.

Numerous reasons explain the part played by the Assembly in the study of problems raised by the establishment of a general common market and the creation of a nuclear energy community.

51. First, the Assembly, watch-dog of the spirit and the letter of the Schuman Plan, considers the Coal and Steel Community as constituting " the first foundations of a larger and wider community. " In this respect it feels called upon to follow and encourage the evolution inherent in the Treaty and the European policy of the six Governments.

Also, the Common Assembly, the sole European Assembly with effective powers, has the right to express opinions based on studies and personal observations by its members on fundamental questions in course of review. It is indeed incumbent upon parliamentarians to give the broad outlines of the policy they wish their Governments to pursue and to follow up its execution.

Lastly, it was necessary that members of the Common Assembly should reach agreement on a certain policy of integration in order to be able to uphold it in their national parliaments at the right moment.

52. Thanks to the studies undertaken by its Working Party and to the sympathy and co-operation of President Spaak, the Assembly was able, in March 1956 before the Brussels Committee had completed its task, to give its preliminary opinion on the Common Market and Euratom and then at its session in May give its decision on the report by the Heads of Delegations.

3.1. General Common Market[16]

53. The Common Assembly considers that the establishment of the Common Market should be based on the following principles:

The Common Market should not be a mere free trade formula but should represent a true customs union leading to an economic union ;

In the social field, the method proposed by the Treaty instituting E. C. S. C , i.e. the improvement in living and working conditions and in the standard of living of the workers following automatically from increased production, should not be applied. Only an active policy, conducted by an authority having the necessary powers, will bring about social justice; that is to say the repercussion of economic results on the human plane ;

It would be advisable widely to associate the economic organs with the institutions of the Common Market, by creating, for example, an Economic and Social Council ;

A progressive harmonisation and a co-ordination of a social policy, as well as of a financial currency and fiscal policy, would be indispensable ;

Special measures would have to be taken to protect agriculture, a stipulation which sets economic, social and national problems ;

Appropriate solutions would have to be found for overseas territories.[17]

3.2. Eur atom[18]

54. Though freedom of admission to the nuclear energy community and of research were unanimously recognised, differences were apparent between the purely peaceful use of nuclear energy and the ownership of fuels.

The Socialist group considered that only collective ownership would ensure effective control and prevent private enterprises from absorbing all the benefits of risks undertaken by the community.

This group could not admit the use of nuclear energy for other than peaceful purposes[19].

On the other hand the Christian- Democrats and the Liberals consider that ownership of fuels should rest with the Community only to the extent where private appropriation renders a true control of nuclear materials impossible.

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16. cf. Working Party, preliminary report on the development of economic integration in Europe by M. van der Goes van Naters, Rapporteur, March 1956. Report on the Common Market and Euratom by MM. van der Goes van Naters and Wigny, Rapporteurs (May 1956).
17. In Appendix II is the text of the resolution on the Common Market adopted by the Common Assembly on 16th March 1956.
18. Cf. Working Party, preliminary Report on the European problem of Energy by M. Wigny, Rapporteur (March 1956): Report on the Common Market and Euratom by MM. van der Goes van Naters and Wigny, Rapporteurs (May 1956).
19. M. Dehousse read the following declaration to the Assembly : " The Socialist group of the Common Assembly notes that at the moment of the Assembly's debate it is difficult for it to form a precise idea of exactly what the European atomic energy community will be. The preliminary report submitted to us only give the personal views of its author. Moreover the report of the Intergovernmental Comm i t t e e set up by the Messina Conference will only be published in April. The Socialist group will therefore await concrete proposals before forming a definite opinion. It seems to it, however, that a certain number of general principles arising from its conceptions can and must be formed now : 1. First of all the group recalls that one of the essential aims of the entire socialist movement is, and remains, controlled general disarmament. 2. The group considers that the use of atomic energy within the proposed European Community must be exclusively devoted to peaceful purposes. The future Treaty must guarantee this by providing an efficient control both on units and on the spot entailing the establishment of proper accountancy of fissile matter. 3. This attitude docs not affect the execution of present international obligations. 4. The Socialist group emphasises that it has always favoured entrusting under effective parliamentary control the exclusive ownership of nuclear sources of energy throughout their conversions, to the European Atomic Energy Community. It is forced to say that nothing of this sort is envisaged in the present projects. On the contrary, the preliminary report under discussion expressly limits public intervention to financing installation research. The group feels compelled to disapprove ceding to private interests a sphere where the collective interest should predominate.

They emphasised that the organisation to be created should not hinder " the constructive efforts " of private enterprise.

These groups think the peaceful use of atomic energy impossible for the next few years for purely technical and economic reasons, but it seems to them going too far and, in certain respects, dangerous to give up, without condition or limits, the manufacture of weapons for mass destruction it being understood that such manufacture could not be on a purely national basis but must be the subject of a Communitywide agreement.[20]

Numerous points of view were expressed by members of the Assembly during the debates in March and May. For some, the Common Market must not precede Euratom and vice-versa. For others, the two problems were inseparable. Some considered integration by sectors was a bad method, becauset he sectors of economic life were too closely linked. Lastly, some held that, since Belgium was called upon to make a special sacrifice to accede to Euratom, the other participants should consider granting fair compensation for the particular benefit of its overseas territories.

Concluding its debate, the Assembly, in its Resolution of 11th May 1956, asked the Governments : " to bear in mind the relation between the two projects by considering them simultaneously. "

3.3. Institutions of the new Communities[21]

55. The organs for which provision is made for the new Communities in the Brussels Intergovernmental Committee report are : a European Commission, which would be executive; a Council of Ministers of general political competence; a parliamentary assembly exercising political control; and, lastly a Court of Justice exercising judicial control, these last two institutions being those of E. C. S. C.

In connection with the European Commission, the Working Party hopes that after a certain time the Assembly may be granted powers of initiative in general political affairs.

In the case of the Court of Justice, the Working Party rejects the idea of completing it by economic assessors, since this would risk endangering the unity of jurisprudence and introducing into the Court representatives of private or national interests.

With regard to supplementary powers to be accorded to the Assembly, the Working Party deplored certain deficiencies, such as the inability to discuss the Budget head by head or to amend it, its power being limited to its adoption or rejection as a whole. The same was the case in respect of the right of confirming the nominations of members of the European Commission, a suggestion by M. Spaak set aside by the experts at Brussels. Thus the experts' proposed that though the Assembly would be entitled to deliberate upon certain proposals of the European Commission, it would not have the right to open debates on general policy.

The most difficult problem to solve, however, remains that of parliamentary control : not more than in E. C. S. C. does the Brussels project provide for the Council of Ministers' responsibility towards the Assembly.

Lastly, provision is made for enlarged representation in the Assemblies of new Communities and it would therefore be desirable similarly to increase the numbers of the Common Assembly.[22]

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20. This is the text of the Christian Democrat group's declaration, supported by the Liberal group : " On behalf of the Christian-Democrat Group I have the honour to make the following declaration : We consider that the development of atomic energy is necessary for increasing production and raising the standard of living and that, in this field, continental Europe lags behind. All the experts consider this delay can only be made good by a collective effort. The same applies to conventional forms of energy, the demand for which is constantly increasing and which remains relat i v e l y dear and is too sparingly used in Europe. For these reasons, we are convinced that the Member States of the European Coal and Steel Community should urgently sign a treaty : — which, by opening a common market and creating common enterprises, will favour the rapid development of a nuclear energy industry; — which will permit private enterprise to make constructive efforts; — which will organise a strict, efficient and complete on the spot control of material in order to ensure safety from both the military and sanitary viewpoints; — which will confine nuclear energy to peaceful uses, the manufacture of atomic bombs—excluded at the initial stage—being undertaken only on a Community basis by the signatory States and as a result of a unanimous decision; — which will give to the European institutions real and sufficient powers to carry out the functions mentioned above under a true democratic control; — and which will be open to all Member States of O. E. E. C. "

21. cf. the Working Party, Sub-committee on Institutional Questions. Interim report on certain institutional aspects of the development of European integration, by M. Gilles Gozard, Rapporteur (June 1956).

22. Appendix III gives the text of the Resolution adopted by the Assembly on 11th May 1956 on the Common Market and Euratom.

During the second part of the ordinary session of 1956, t h e Common Assembly resumed discussion of the institutional aspects of the development of European integration.

An interim report served as a basis for this discussion.

The Working Party favoured the participation of workers' trade unions in the new Communities. Such participation could take the form of at least consultative representation.

It is considered in the report that the standardisation of currency should be sought as from now and that it would be desirable to create a council of governors of issuing banks of the six Member States.

In respect of t h e financing and administration of the new institutions, the Working Party admitted the need for economy, but considered that excessive co-ordination might lead to confusion. It was, therefore, opposed to the nomination of a single Secretary-General for the various institutions.

Once again the need for the strictest parliamentary control was emphasised.

4. III - The Common Assembly and matters of particular interest to the Consultative Assembly of the Council of Europe

56. The Common Assembly and its competent committees have examined with the greatest attention the concern to which the existence of E. C. S. C. has given rise in the minds of certain members of the Consultative Assembly and also that body's suggestions made in its Resolution 92 of 1955.

This concern is more especially felt with regard to the freedom of admission to the Community; the usefulness of joint meetings of the committee members of the two Assemblies; the study at a joint meeting of members of the Common Assembly and United Kingdom Representatives to the Consultative Assembly of the Annual Report of the Council of Association; the position of the Common Assembly with regard to election of its members by universal suffrage ; lastly, the commercial policy of E. C. S. C. and the price-level of export steel.

Suggestions offered concern essentially the relations between the Common Assembly and the Special Council of Ministers ; the means to be employed by the Common Assembly to establish direct relations with economic, trade union and professional organisations; the usefulness of including in the annual general report of the High Authority a comparison between production and trade in coal and steel and production and trade in the other sectors.

57. So far as freedom of accession to the Community is concerned, the Assembly seems to fear that the ECSC policy places too strong an emphasis on the idea that the membership of third countries can be contemplated only if they accept the obligations imposed by the Treaty on the members of the Community and that this emphasis may result in deterring such countries from association.

The agreements recently concluded with Austria, the United States and Switzerland clearly show that these fears are unfounded. Though it is certain t h a t reciprocity is essential, and that a country cannot pretend to enjoy the advantages of a common market without accepting the corresponding obligations, the Assembly has never, however, ceased to emphasise the need for close co-operation between E. C. S. C. and third countries, nor to affirm that this co-operation may take the most varied and flexible forms.

The same feelings prevailed during the discussion by the Common Assembly on the Common Market and Euratom. What is more, certain parliamentarians wished to see the Governments make a new effort to ensure, at the final drafting of these treaties, the presence of representatives of one or several Member States of the Council of Europe.

If, as the Consultative Assembly considers, the removal of all connection between E. C. S. C. and the E. D. C. would appear to favour the accession of third countries to the organisations of the Six, the evolution of the supranational concept as illustrated in the present report should also encourage certain States to join the Community.

58. When considering joint meetings of members of the committees of the two Assemblies reference should be made to the provisions of Rule 38 of the Rules of Procedure of the Common Assembly.

Paragraph 2 of this Rule states that " the members of t h e High Authority and of the Special Council of Ministers, as well as any other person, may by the special decision of the Committee be invited to attend a meeting or to speak during it. "

If the Chairmen of the Consultative Assembly's committees were to send an official request to this effect to their colleagues in the Common Assembly, for the purpose of discussing matters of mutual interest, there is no doubt that the latter would make every effort to comply with it. No such request, however, has so far been made.

59. There are serious juridical objections to the proposal that the report of the Council of Association should be considered by a joint meeting of members of the Common Assembly and the United Kingdom Representatives in the Consultative Assembly.

The Treaty instituting E. C. S. C. conferred upon the Common Assembly real powers of control. Now, these powers are required to be exercised when the report of the Council of Association comes to be considered. As M. Spierenburg declared on behalf of the High Authority during the sitting of the Common Assembly on 14th May 1955 : " What is important is that at the end of the year there will be produced an annual report, and it will be possible to hold a public debate on results obtained, over which the Assembly can therefore exercise control. "

The Consultative Assembly will, however, no doubt be pleased to learn that the Common Assembly has asked the High Authority for the Council of Association's agreement to set up a joint parliamentary committee composed of nine members of the Common Assembly and nine British members of Parliament.

The competence of this committee must be determined by the Council of Association after consultation with the Common Assembly and the competent British authorities.

60. It would appear from the debates that the election by universal suffrage of representatives to the Common Assembly is a system which, it would be best not to consider at the present time. On the one hand public opinion is insufficiently acquainted with European problems and, on the other, there is increasin gneed for close liaison between the Common Assembly and national parliaments.

61. The Common Assembly is well aware of the grave problems connected with the commercial policy of the Community and the price of export steel. It proposes that these matters should be studied in the course of joint meetings of its Common Market Committee and its Committee on Political Affairs and External Relations.

The graph of export steel prices has always been closely followed byt he Assembly, but it is difficult so far as they are concerned to determine what are " fair limits. " Though i t may be true to say t h a t export prices have followed the global upward trend, it should be observed that their rise has been less great than those of such countries as the United Kingdom.

The Committee on Political Affairs has stressed the importance it attaches to the application of Treaty provisions for the fixing of these prices — and it has closely studied the figures communicated to it by the High Authority.

62. A point of law is raised by the suggestion made in t h e Common Assembly that consultative status similar to that granted by the Assembly of the Council of Europe to certain non-governmental organisations should possibly be given to groups not represented in the Consultative Committee of E. C. S. C , with a view to establishing contacts with trade-union, employer and professional organisations.

No groups are in fact represented in the Consultative Committee but categories, those of producers, consumers and workers.

63. So far as the establishment of direct relations between the Common Assembly and the Special Council of Ministers are concerned, the Consultative Assembly has stated that its experience with the Committee of Ministers of the Council of Europe " has not been very happy ".

The Common Assembly is well aware that the Treaty deprives it of all power of control cis-à-fis the Council, but, nevertheless, considers that continued relations may make it possible to obtain information likely to facilitate its members' action in their national Parliaments. The intervention of members of the Council at meetings of the Common Assembly confirms that relations between the two organs have developed favourably.

64. With regard to the last point made by the Consultative Assembly, that it would like to find in the annual general report on the activities of t h e Community an analysis of the development of coal and steel production and trade in relation to the increase of production and trade in other sectors both inside and outside the Community, this was covered in some degree by the orai account given in the Common Assembly on 8th May last by the President of the High Authority.

M. René Mayer said, " Should the increase in this trade be attributed to other factors such as the general trend of the present situation, the general liberation about to be realised thanks to 0 . E. E. C, or should one, first of all, look for the cause in the opening of a single market? The reply to this question, one of your justified preoccupations, lies in three sets of figures.

" From 1953 to 1955 trade between the six countries of the Community, with constant prices, increased by 93 %, whereas trade in other products increased only by 59 %. Even restricting the comparison to the products of the Community on the one hand and to other capital goods, such as non-ferrous metals, lime and cement, building materials, machines and means of transport, on the other hand, we see that, from 1952 to 1955, trade between the Member States in steel, scrap-iron and iron-ore increased by 153 %, whereas for the other capital goods just quoted, the increase for the same period was only 59 % ".

65. Apart from the resolutions already quoted, the Consultative Assembly proposed that it should, at joint meetings, be possible to discuss at the same time the General Report on the activities of the Community, the Report of the Common Assembly and the OEEC Report.

The Assembly favours closer contact between the High Authority and 0 . E. E. C.,but it does not think that the Report of 0 . E. E. C.— which is responsible to no parliamentary assembly—could be formally included in the agenda of the joint meetings. This might present legal and political difficulties and place the High Authority in a delicate position.

However, members participating in the Joint Meeting may, in fact, study the report and allude to it in the debates.

5. CONCLUSION

66. It is plain that the Assembly has become more clearly and perhaps more " realistically " aware than before of its role. This is essentially to follow, to control, and where necessary, to criticise the action of the High Authority in matters concerning the common coal and steel market.

Such action has on the whole been considered too timorous. It is typical that, far from wishing to slow down the High Authori ty in carrying out its mission, the Assembly has a marked tendency to stimulate it and to encourage it to make greater use than in the past of the powers conferred upon it by the Treaty.

67. It has become quite clear that if the Treaty is not applied as fully as many could wish, and if progress towards European unity is slow, even in the sector covered by the Schuman Plan, the main reason is that the opposition to progress comes from the overcautions attitude of the six Member Governments themselves. It has been pointed out that there was something flagrantly contradictory in seeing the leaders of certain countries never miss an opportunity to proclaim the imperative necessity of extending and generalising the Common Market, but remain impassive and " stick-in-the-mud " when it came to putting the common coal and steel market wholly into effect, with the consequences resulting from such a step. As one of the speakers pointed out, the first duty of Governments is not to undertake new obligations but to carry out binding obligations already undertaken.

68. Always opposed to all autarkic policy, the Assembly has given much thought to the relations of the Community with non-Member States and has again emphatically expressed its wish to open as widely as possible the doors of the Community to new Members.

69. Diversity of political conceptions among the groups within the Assembly has been brought to light and become more accentuated. Reservations—frequently very clear and concise—have been expressed with regard to certain aspects of the High Authority's policy. The Assembly has, nevertheless, generally speaking, expressed its confidence in it.

70. To sum up, it is possible to state in the light of its recent debates that the Assembly more and more resembles a parliamentary assembly. That is perhaps the predominating —and comforting—conclusion to be drawn from its activity during the past year.

Appendix 1 APPENDIX I

Resolution on Social Questions[23] - (Working hours)

The Common Assembly :

1. Recalls its Resolution of 13th May 1955 with regard to social questions and especially paragraph 28 in which it requests the High Authority to prepare, in common agreement with the Member Governments, the measures concerning progressive harmonisation of regulations in force in the different countries affecting working conditions, especially working hours, the calculation and payment of over-time, the length of holidays and holidays with pay ;

2. Notes with interest that one country of the Community has decided to reduce working hours and gradually to introduce a five-day week ;

3. Observes that, in various countries, and in various workers' organisations, a trend exists to reduce working hours ;

4. Recognises in principle the justification of these efforts ;

5. Considers that social problems can only be solved in the light of economic possibilities and recalls the interdependence of the various social problems ;

6. Notes with satisfaction the initiative taken by the High Authority with the agreement of the Special Council of Ministers to undertake a special study on working hours in the iron and steel industry.

7. Expresses the hope that this study will not be confined to the iron and steel industry but will include consideration of the working hours in all the industries coming within the Community's jurisdiction, with due regard for the particular circumstances prevailing in each country, as part of the work of progressively harmonising regulations in force ;

Requests the High Authority to submit the results of this study for consideration by its competent committees ;

8. Instructs the Committees on Social Affairs, on the Common Market and on Investments, on Financial Questions and Production Development, to examine the problem of harmonising working conditions.

23. Adopted by the Common Assembly, Sitting of 24th November 1955. O. J. of the Community, 6th December 1955.

Appendix 2 APPENDIX II

Resolution addressed to the Governments of Member States of the European Coal and Steel Community[24]

The Common Assembly,

Considering the increasing economic lag in Europe ;

Considering that only a common European policy will allow an improvement in the standard of living based on economic expansion and the development of employment ;

Considering that this policy demands the progressive constitution of a common market ;

Considering that this common market must not only allow economic competition and division of work, but must also take account of the ties of human solidarity binding the populations of Member States ;

Considering that the common market cannot be confined to freedom of trade, but that its creation implies the co-ordination of economic, social, currency and fiscal policy of the Member States with a view to ensuring the adaptation of certain sectors, the stability of employment and the expansion of overall production ;

Considering that a common market calls, in any case, for an authority to ensure its inauguration and its development, to eliminate distortions and to help Member States in difficulty ;

In view of its resolutions of 2nd December 1954 and of 13th May 1955 ;

In view of the preliminary report presented by the Working Party at its session in Brussels in March 1956 and the discussion on it ;

Considering the need for a treaty which :

definitely establishes the basis for a general common market in the form of a customs and economic union, to the exclusion of all autarky ;

provides for the free movement not only of goods, services and capital, but also of manpower ;

sets up an investment fund to promote economic expansion ;

assists the adaptation of national economy while bearing in mind agriculture's special situation and imposing a progressive and irrevocable realisation of this economic union ;

to the same end, supplies aid on a Community basis to Member States by means of a re-adaptation fund and which stipulates protection clauses in cases where vital national interests may be threatened ;

provides, on lines parallel to the development of the common market, for the harmonisation of socialc liarges as part of an active and progressive policy designed constantly to improve the standard of living ;

creates institutions having sufficient powers to implement under democratic control the principles set out above ;

is fully open to all the other Members of 0. E. E. C,

Invites the Governments of the Member States of the European Coal and Steel Community rapidly to conclude a treaty on the basis of these principles.

24. Adopted by the Common Assembly, Sitting of 16th March 1956. O. J. of the Community 29th March 1956.

Appendix 3 APPENDIX III

Resolution on the Common Market and Euratom[25]

The Common Assembly,

I. Regarding the Common Market

expresses satisfaction that the realistic and concrete report published by the Intergovernmental Committee created by the Messina Conference forms a basis for future developments of the Common Market ;

recalls that the Common Market, in accelerating economic expansion and allocating activities.more rationally, should ensure a constant improvement in the standard of living, full employment, an improvement and a harmonisation of social conditions throughout the territory of the new organisation, as well as improving the under-developed regions of the Community, particularly by the reinforcement of their infra-structure ;

emphasizes that the Common Market is not confined to freedom of trade by the suppression of all discrimination (customs, quotas, foreign exchange control, transport etc.) and by the protection against monopolies. This market also presupposes inter-State solidarity whereby any one of them may be assisted in adapting itself without undue sacrifice to the new economic organisation and fully to benefit from its advantages. From this angle, adaptation and investment funds are essential ;

insists that freedom within the Community should embrace goods, manpower, capital and services and not constitute an autarkic organisation in respect of third countries ;

considers that protective measures are necessary to prevent social regression in certain Member States under pressure of competition, as well as to facilitate co-ordination of agricultural economies ;

deduces from these observations that, from many points of view, general economic policy must fall within the competence of the organs of the Common Market ;

insists that the provisions of the new treaty should allow social progress to be linked with economic progress, since the distinction made within the limited scope of the European Coal and Steel Community cannot be considered in the case of the Common Market ;

declares that the realisation of the Common Market must be irrevocably resolved but that it can only be accomplished by stages ;

notes with satisfaction that, after the first four-year phase, decisions will be taken by a qualified majority of the Council of Ministers not least in order to ensure the automatic reduction of rates as time goes on.

The Common Assembly declares,

II. Regarding Euratom

On the principle :

that co-operation between European States in the atomic field is necessary and urgent if these countries are to be in the forefront of industrial nations and if the constant improvement in their standard of living is to be ensured; wherefore such co-operation can only give lasting results if it extends to the various forms of nuclear energy, whether produced by fission, fusion, or other manner ;

On territorial competence :

that this organisation, founded on the nucleus of the six Member States of the European Coal and Steel Community, should be open without restriction to all Member States of 0. E. E. C. accepting its conditions; that elastic formulae should be provided for States who wish to co-operate in certain scientific and industrial enterprises without being members of the organisation; that close association with the United Kingdom must be sought; that Euratom, far from being in competition with the project prepared by the OEEC experts, should, on the contrary, be co-ordinated with it; that overseas territories, supplying raw material, should receive satisfactory compensation ;

25. Adopted by the Common Assembly, Sitting of 11th May 1956. O. J. of the Community 26th May 1956.

On material competence :

that Euratom, irrespective of any conflict of political and economic ideologies, must be so arranged as to ensure control with regard to military matters and public health as also economic security by non-discriminating allocation of all raw materials and fissile fuels among consumers in the Community ;

that scientific as well as industrial common undertakings are indispensable for hastening economic progress ;

that flexible liaison must be established with the private sector in order that the effects of the technical revolution, launched by the discovery of atomic energy, should be disseminated as widely as possible ;

that the problem of military use of atomic energy, either by Euratom itself or by certain of its Members, in conformity with the treaties in force, is outside the competence of the Common Assembly, which, nevertheless, believes itself entitled to stress, at this stage, that such use may, in no case, reduce, under cover of military secrecy, the control of safety or scientific co-operation ;

III. Regarding institutions

that the new organisations must be granted limited but real powers, enabling them to carry out their tasks ;

that efficient democratic control must be exercised by the Assembly, the competence of which is defined on too limited a basis in the present projects ;

that a just balance must be found between the powers of the Council of Ministers and those of the European Commission ;

that the maximum use must be made, as proposed by the experts, of the institutions already existing in the European Coal and Steel Community ;

that, in the framework of Euratom, the creation of public or mixed economy companies should avoid the political dangers of centralisation and should further co-operation with third countries ;

that it is necessary to obtain the co-operation of trade union, employers' and workers' associations which, by their advice, will help the European Commission and the Council of Ministers to accomplish their mission.

Generally speaking,

the Common Assembly :

Generally speaking,

requests Member Governments to bear in mind the relation between the two projects by considering them simultaneously ;

attaches particular interest to the suggestions made in the matter of co-ordination of air transport, conventional types of energy, postal and telecommunication services.

Appendix 4 APPENDIX IV

Resolution on the creation of a Parliamentary Committee loithin the Council of Association[26]

The Common Assembly,

Having regard to the satisfactory development of the Council of Association's activity in recent months ;

Considering that the introduction of certain responsibilities and liaisons on the parliamentary plane into the activity of the Council of Association could foster the intimate and lasting character of the association,

Recalls suggestions made to this effect in the course of the joint meeting of the Consultative Assembly and the Common Assembly, and in the House of Commons ;

Invites the High Authority to propose to the Council of Association the creation of a joint parliamentary committee, of a consultative character, composed of nine members of the United Kingdom and nine members of the Common Assembly, the competence of which should be determined by the Council of Association after consulting the Common Assembly and the competent British authorities, and

Instructs the Committee on Political Affairs and External Relations of the Community to approach the High Authority in order to perfect procedure required to put the present Resolution into effect.

26. Adopted by the Common Assembly, Sitting of 21st June 1956.

Appendix 5 APPENDIX V

Resolution on the Problems of the Common Marke[27]

The Common Assembly,

Having noted the Fourth General Report on the activities of the Community (11th April 1955 - 8th April 1956) ;

Having heard the speech by the President of the High Authority ;

Bearing in mind the debates in the Assembly,

1. Notes with satisfaction that the evolution of the Common Market reveals notable progress towards the creation of a wide economic unit, that trade in the products of the Community has increased more than that in other products and that the Common Market has helped to control the rate of increase in production and consumption ;

2. Stresses the absolute necessity for the Governments of the six Member States to align their economic policies if they are to derive all the advantages accruing from it ;

3. Invites the High Authority, in accordance with the obligation contained in Article 3 (c) of the Treaty, to work for a stabilisation of prices for the Community's products and to make use of all powers conferred upon it to this end ;

4. Emphasises the necessity for satisfactory and fair supplies of coal to consumers in the Community and recommends that action be taken to keep the price of imported coal at the lowest possible level ;

5. Considers that the High Authority should make every effort to improve coal stocks in the Community and to ensure a more rational use of coal production ;

6. Lays stress upon the High Authority's warnings concerning coke and scrap-iron supplies, regrets that, in the absence of an agreement between Governments, the critical situation of scrapiron supplies persists and in no way contributes to the solution of this problem, and expresses the hope that the new imported scrap-iron regulations will lead to a reduction in the consumption of scrapiron ;

7. Assures the High Authority of its support in its attempt to eliminate administrative and governmental practices that run counter to the Treaty ;

8. Considers that final judgment on the conversion of cartels in the Common Market will be possible only in the light of experience acquired when the new organisations have been in operation for some time ;

9. Nevertheless, invites the High Authority to ensure that the new authorised organisations respect the decisions whereby they were brought into being ;

10. Expects the High Authority rapidly to reach a solution conforming with the Treaty in all cases of monopolistic agreements and cartels for which a regulation has not hitherto been found ;

11. Approves the conclusion of M. Blank's report on the application of the transitional provisions.

27. Adopted by the Common Assembly, Sitting of 22nd June 1956.

Appendix 6 APPENDIX VI

Resolution on the financial and investment policy of the Community and on the general objectives and long-term policy[28]

The Common Assembly :

1. Notes, on the one hand, that a disbalance is developing in the various sectors of the cast-iron and steel industries, and between progress of the iron and steel industry and that of coke production ;

That, on the other hand, owing to the familiar difficulties connected with their financing, the overall volume of investments remains insufficient both for coking plants and collieries and for the production of cast-iron in the iron and steel industry ;

Reminds the High Authority, in the light of these observations, that the Treaty confers upon it a specific task and indicates the means of promoting the co-ordinated development of investments ;

Stresses the importance for the future of the Community of the function entrusted to the High Authority which has received the necessary powers to accomplish this mission ;

2. Regrets the delay to be observed in finalising general objectives and in working out a long term policy, and urges the High Authority to complete this work by October at the latest ;

Requests the High Authority, before making its own decision, to study with the Investments Committee the conclusions reached by the experts ;

3. Notes that the High Authority makes use of the means at its disposal of giving general information and notice so as to warn the industries of the Community and the Governments of lack of balance in production capacities of coke, cast-iron, the various steels, rolling mills, as well as to emphasise the danger of present deficiencies of investments in collieries, coking plants, blast furnaces and the need to develop all investments likely to diminish the scrap-iron requirements of the iron and steel industry ;

Itself, seriously calls the attention of industries and Governments to the importance of these difficulties which may impede the ever indispensable economic expansion to the various countries of the Community ;

4. Emphasizes, on the one hand, that the High Authority's credit today provides considerable loan possibilities and, on the other, that its financial contribution to technical and social investments in the Community is both useful and indispensible to its promotion of the co-ordinated development of investments ;

Welcomes the loan contracted on the Swiss market which could, in the weeks to come, be allocated to the more urgent investments ;

Trusts that further loans may as soon as possible be arranged by the High Authority ;

Also requests the High Authority to increase its financial aid for the construction of workers' housing ;

And to increase the number of bank loans at the disposal of undertakings in the Community at reduced interest ;

5. Considers that the High Authority has not sufficiently applied the provisions of paragraph 4 of Article 54 of the Treaty ;

Requests it.to re-examine, in the light of experience during the first few months of application, means whereby more efficient use may be made of the procedure of obligatory declaration of investment programmes and the requesting of optional opinions by the High Authority ;

6. Notes the development, announced by the High Authority, of its action connected with the re-adaptation and help to technical research, and hopes that a progressively larger proportion of receipts available in the Community be allocated to this expenditure,

Requests the High Authority to prepare a document giving an overall picture of present technical research in the Community's industries, as also of the co-ordinating role, the impetus and incentive which it should ever increasingly provide in this field.

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28. Adopted by the Common Assembly, Sitting of 22nd June 1956.

Appendix 7 APPENDIX VII

Resolution on Social questions[29]

The Common Assembly,

Having regard to the High Authority's General Report and the Committees' reports thereto devoted ;

And in the light of discussions on the question,

1. Confirms its Resolutions of 13th May and 24th May 1955 ;

2. Considers that any report on the Community's economic situation which does not take account, or takes insufficient account, of the workers' social situation remains incomplete ; and trust that the High Authority will henceforth prepare its general report and its communications bearing this in mind ;

3. Observes that there is an increasing shortage of manpower especially of skilled workers, both in the mines and in the iron and steel industry, and points out that the High Authority must, among its obligations connected with the regular availability of manpower within the Community, take, in joint agreement with the Governments, all requisite steps to this end; stresses the particular necessity of this, in view of the increasing distaste for the miner's profession and that special measures must be taken in respect of general conditions of work and vocational training ;

4. Formally disapproves the fact that Article 69 of the Treaty is still not applied and requests the High Authority specially to approach the Government of one of the Member States in order that the agreement of 8th December 1954 concerning the free migration of workers, though insufficient in itself, should be brought into force.

5. Declares that the fact of not authorising the free movement of manpower is damaging to the very character of the Common Market and of the Community, particularly since to this deficiency is added the case of Article 69 paragrah 4 of the Treaty ;

6. Points out that the free movement of manpower must be facilitated by the careful preparation of migration itself as well as of migrant workers for their new living conditions ;

7. Notes with satisfaction that the High Authority has directly approached workers' and employers' organisations and considers that this initiative can hasten harmonisation of working conditions ;

8. Expresses satisfaction at the High Authority's decision :

a. to make a further contribution of at least 25 million dollars for the financing of workers' housing construction for the benefit of both miners and iron and steel workers ;

b. to increase the total of workers' scttling- in grant for those benefiting from re-adaptation measures and who state their willingness to set aside this grant for the purpose of building a home ;

c. to launch a second experimental workers' housing programme as soon as the result of the first programme are known ;

9. Regrets the insufficient efforts made to abolish hutment camps and urges the High Authority to establish, in conjunction with Governments and undertakings concerned, a building programme to replace these camps in the near future by normal and decent living quarters ;

10. Invites its Social Affairs Committee and its Investments Committee to continue to seek out possibilities open to the High Authority for making a financial contribution towards the construction of workers' houses, especially in view of the fact that the number of houses to be built for miners totals, according to the High Authority's present programme, only some 12.000, a figure, amounting to about one-tenth of the miners' actual needs alone, irrespective of the needs of the iron and steel workers ;

11. Approves the High Authority's resolution to allocate, in accordance with Article 55 of the Treaty, the sum of 1,200,000 dollars, spread over 4 years, to finance research in industrial health and medecine and invites it to make a similar effort in accident prevention ;

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29. Adopted by the Common Assembly, Sitting of 22nd June 1956.

12. Regrets that the High Authority is insufficiently active in questions of re-adaptation and once again invites it to adopt a firmer attitude towards Governments which inform it of a request, in conformity with the spirit of paragraph 23 of the Convention and of article 56 of the Treaty ;

13. Recommends the High Authority to take all necessary steps to gve fuller information to employers and workers' organisations on the possibilities of re-adaptation offered by the Treaty ;

14. Invites the High Authority more actively to supervise in the future the execution on the spot of re-adaptation measures, for example through its own delegates responsible for establishing direct contact with Governments and enterprises and workers' democratic organisations ;

15. Expresses the hope that the High Authority, the Governments and all those concerned will make the necessary effort to ensure the possibility of re-employment on the spot, which is preferable to all forms of transfer ;

16. Once again most emphatically calls attention — in view also of the conclusions of the Venice Conference — to paragraph 17 of its Resolution of 13th May 1955 and consequently invites the High Authority to pursue its action in this field in collaboration with the Committee on Social Affairs and to prepare the text of the amendments to the Treaty necessary for the efficient execution of measures of re-adaptation when the transitional period has expired.

Appendix 8 APPENDIX VIII

Resolution on social activities for the benefit of the Community's workers[30]

The Common Assembly :

Recognises the need to develop as widely as possible social activities for the benefit of workers in the coal and iron and steel industries, by means of a social programme enabling employers and workers to promote the realisation of general social needs, such as the possibility of family relaxation, cultural activities, holidays, etc. ;

Consequently requests the High Authority to draw up this programme and to promote its implementation.

30. Adopted by the Common Assembly, Sitting of 22nd June 1956.

Appendix 9 APPENDIX IX

Resolution on transport problems in the Community[31]

The Common Assembly :

Once again stresses the primary importance of a satisfactory solution to transport problems for the development of the Common Market and the very existence of the Community ;

Invites the High Authority to take all necessary steps as soon as possible to eliminate discriminations occasioned by the application of Articles 127, 257, and 260of the French Customs Code ;

Welcomes the establishment of international railway through-rates for iron and steel products and for scrap-iron ;

Furthermore welcomes the forthcoming conclusion of an agreement with the Swiss Federal Council on the establishment of international through-rates via Switzerland, and hopes that negotiations will, as soon as possible, be opened with the Austrian Federal Republic for the conclusion of a similar agreement for transit via Austria ;

Notes with regret the delay in the preparations for the establishment of through-rates for water and road transport and to harmonisation ;

Welcomes the High Authority's action in seeking a solution to the problem, long in abeyance, of disparities in inland waterway freights ;

Expresses the hope that the ad hoc committee set up by the Special Council of Ministers will present, in the specified time, satisfactory proposals for solving this question and reiterates that it can in no case support a solution implying the formation of cartels ;

Hopes soon to be informed of the results of the attempts to establish uniform transport statistics and requests the High Authority to make further efforts in this field ;

Draws attention to the importance of the publicity obligation laid down by the Treaty, which should be particularly applied in matters of road transport, and welcomes the agreement in principle concluded with the Italian Government on applying the obligation to ensure publicity to road transport ;

Hopes that the study of special tariffs and supporting tariffs will be accelerated ;

Invites the High Authority to review its position on the question of co-ordination, especially in view of the provisions of paragraph 5 of Article 70 of the Treaty and sub-paragraphs 3 and 6 of paragraph 10 of the Convention on transitional provisions ;

Invites its Members likewise to seek in their national parliaments a satisfactory solution to the problems set forth above. »

31. Adopted by the Common Assembly, Sitting of 22nd June 1956.