

Doc. No 2093/65 e
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Orig.: Italian

STATEMENT BY PRESIDENT DINO DEL BO ON THE
POLICY REPORT OF THE HIGH AUTHORITY

Strasbourg, March 24, 1965.

The Policy Report which I have the honour to introduce to the House was drawn up by the High Authority in response to a request submitted during the debate on our last General Report. As I then emphasized, the High Authority is convinced that its past record, as an autonomous and independent Institution, merits approval, and also serious consideration in connection with the impending merger of the Executives. It constitutes, to my mind, a major contribution to policy-making on the problems involved in the organization of a single Community, which are already taking shape, will emerge in full at the beginning of next year, and will entail a period of sweeping change. We are here concerned not so much with economic and technical appraisal of the Treaty of Paris and its operation, as with its political implications for European integration, even though that integration has up to now been confined to the economic and social sphere.

The Coal and Steel Community was set up with its sights trained primarily not on coal and steel as such, but on Europe. The Treaty of Paris was intended to launch a new stage in political relations among the democratic countries of the European Continent. Viewed from this angle, the political objective has been fully attained. Indeed, it may be added that certain difficulties encountered in achieving the economic aims of the Coal and Steel Treaty - the coal situation, the need for a common energy market - are serving to encourage the further improvement of those relations, and to underscore the ever-growing importance of combined action by the six countries.

While this is the main moral of the Community's thirteen-year record, there are others too, more specific, yet also important. One is that the critical juncture for the future of the Community movement will be the merger of the Communities. This is a difficult goal to fix, requiring careful choice as to some of the principles and methods to be followed. We cannot ignore the fact that even today the Governments do not see eye to eye on matters so delicate and so complex. And this highlights the absolute necessity of striving for agreement, by adopting the good elements from the past, and discarding the unprogressive. It must be emphasized that the merger of the Executives does not solve the problem of how to organize Europe: it is an institutional regrouping, a closing of ranks, but it cannot of itself alter the prerogatives of the Community Institutions. For this reason the High Authority has always maintained that the merger of the Executives is only the first step towards the merger of the Communities. That will be the crucial phase, on which will depend whether democratic Europe is to be a true Community of something less.

As to method, E.C.S.C. experience has already afforded one object-lesson: progress has been faster and more effective where the Treaty of Paris has authorized the establishment of genuinely Community procedures. Take the respective powers of the High Authority, the Council of Ministers and the national Government. The preponderance varies from case to case. In matters relating purely to coal and steel, the High Authority's powers are direct and well defined: the Council may act in a consultative capacity, but the last word rests with the High Authority, whose duty it is to watch over the interests of the Community as a whole.

On the other hand, on matters not actually bearing on coal and steel as such, but nevertheless affecting the operation of the Common Market, the High Authority has neither direct nor sole power. Here responsibility lies primarily with the Council, or in certain cases with the Governments themselves. Take for instance transport rates, or commercial policy. These have to be viewed in the context of the whole economy, or of relations with third countries, and it is therefore fair enough that the High Authority should not be sole judge.

But looking back over all that has happened since 1952, we cannot but see that the Community has progressed when the High Authority has been able to exercise its own direct and definite powers. This is confirmed by the results of its policy on investment and research, on cartels and concentrations, on readaptation and redevelopment. Everywhere else, progress has been slower. This is not a reflection on the national Governments: it is simply a statement of fact, of which the clear implication is that the future of Community Europe will depend on the degree of power vested in its executive institutions.

This is not to say that the present set-up is ideal. Indeed, in the matter of powers, there is one deficiency which badly needs to be remedied - the powers of the European Parliament. The Treaty of Paris does provide for an initial nucleus of Parliamentary legislative and budgetary powers. And that nucleus is seriously endangered by the arrangement which has been selected with regard to the approval of the

Budget following the merger of the Executives. But the most important question of all will be the Parliament's role upon the merger of the Communities. A representative assembly cannot exercise the functions proper to the executive side. Nor is it desirable that a Parliament should be compelled - as sometimes happens today - to debate minor matters of no political significance. A Parliament must be entitled to take the initiative and to conduct investigations; it is unthinkable that it should be deprived of authority to give or withhold approval of the Budget, to criticize and exercise democratic control over Community policy, to enact laws. This must be our aim: if it is not, we risk seeing the Community movement hamstrung, prevented from going on as it should from strength to strength.

There are of course other issues on the social and economic side. At the merger of the Communities, each Executive will bring with it its own fund of past experience, to be then combined into a single efficiently-operating whole. The High Authority's view in this regard is that there are no fundamental points of conflict between the E.C.S.C., E.E.C. and Euratom Treaties. E.C.S.C. and Euratom have gone a long way towards an industrial policy in their particular sectors, but the principles on which they have been working could have wider implications, could apply admirably to industrial production overall.

The High Authority itself can furnish two outstanding examples - readaptation and redevelopment policy, and research policy.

Readaptation and redevelopment are devices for dealing with the effects of industrial modernization and of the

establishment of new production centres. This process is essential to economic growth and a higher standard of living. But it raises problems which are sometimes very considerable indeed, and can affect whole areas. Now experience has shown that the action which the High Authority is able to take - partly thanks to its financial independence - is helping to mould a new industrial policy in no way prejudicial to the interests of the workers, but rather offering them a number of definite advantages. These are exceedingly up-to-the-minute problems, which are developing in several other sectors of production, and for which a redevelopment policy like the High Authority's could usefully serve as a model. For its own part, the High Authority is now committed to introducing new modes of action with the minimum of delay, in order to equip itself to give increasingly effective assistance - in co-operation with the Governments and the regional authorities - to redevelopment activities connected with the sectors under its jurisdiction.

As for research, we have here perhaps the most striking evidence of all of the value of financial independence. Financial independence has enabled the High Authority to undertake something that has benefited not merely individual groups, but the entire population of the six countries.

The two instances I have cited show also how important it is that the projected single Treaty should lay down common rules for dealing with the problems of the industrial sector. Nobody contends that all the provisions of the Treaty of Paris should be extended to cover the whole of industry: the point is simply that industry should be governed by common rules. I may perhaps add that it would be preferable for the Community Institutions to be left a certain discretion in the matter, to enforce, waive or modify the rules as circumstances might

dictate. The Treaty of Paris does not allow this - in contrast to the caution displayed by those responsible for the first moves towards economic integration. In the future, steadily increasing scope will need to be afforded for this discretionary approach, based on flexible arrangements and a realistic assessment of the problems at issue.

Now flexible arrangements and a realistic assessment imply more extensive powers on the part of the Community Institutions. But it is on this very point that disagreement, on practical policy and on doctrinal theory, is greatest among the organizers of European integration. What the whole question ultimately boils down to is to establish a balanced distribution of powers as between the combined Executive and the Council of Ministers. The Treaty of Paris empowers the High Authority to take and promulgate Decisions, for which it is then answerable to the Parliament and before the law. Under the Treaty of Rome, on the other hand, the Council issues the Decisions, yet is not answerable to the Parliament. The difference is a radical one, in which there is no option but to choose one way or the other. The High Authority feels that in all cases of far-reaching and fundamental Decisions some procedure for securing Parliamentary endorsement is absolutely indispensable. The process of economic integration has already divested the national Parliaments of a part of their legislative powers, and accordingly it will be necessary to restore the democratic balance at European level.

I come now to my last point: will or will not the single Treaty governing the merged Community be adequate to meet all requirements, to cope with the constant succession of new demands posed by economic development and social progress? Given normal circumstances, it no doubt will be.

But circumstances do not always turn out normal: may I remind you what happened to coal, and how the High Authority has had to start a system of Community subsidization of the collieries, until such time as the whole question of a common energy policy is properly disposed of. The episode goes to show that the provisions of treaties are always overtaken by events; and it should spur us to augment the Community's powers more and more, empowering the Institutions and the men who personify them to take judicious action to tackle every possible crisis and to deal with any difficulties which may arise.

It is clear, then, Mr. President and honourable members, that the High Authority's work over these thirteen years, which is, as such, to end with the merger of the Executives, affords quite a number of helpful pointers as to the way in which the merger of the Communities might be organized, and the ultimate results which economic integration is designed to bring about. Obviously, it is not possible at this stage to foresee the whole course of events. Nevertheless, the years 1952-65 do very clearly show how sectoral integration, comprising a major conventional energy source and the main basic industry, can provide a sound foundation for fuller co-operation among nations in promoting enduring peace and in bringing their own interests into harmony with those of others.

Allow me to add one last word. The more we come to grasp these fundamental needs, the more evident it becomes that the natural objective to strive for is now political unity, as the most invaluable means of all for ensuring that what has been achieved up to now shall not go for nothing, but shall lead on to more and even greater benefits.

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Résumé du discours du Président de la Haute Autorité

- Doc. Bo.

sur le rapport politique

L'expérience de la Haute Autorité représente une contribution politique importante à la solution des problèmes relatifs à l'organisation d'une Communauté unique car la C.E.C.A. a été créée essentiellement, non pour le charbon et l'acier, mais pour l'Europe. Avec le Traité de Paris, une voie politique nouvelle dans les rapports entre les États européens a été inaugurée. Cet objectif politique a été entièrement réalisé.

La fusion des exécutifs ne résoudra pas le problème de l'organisation de l'Europe : le moment décisif pour le développement communautaire sera la fusion des Communautés, qui impliquera certaines actions de principe et des décisions de méthode. Or, en matière de méthode, l'expérience de la C.E.C.A. a démontré que les progrès ont été plus rapides et plus convaincants lorsque le Traité de Paris a permis l'application de procédures authentiquement communautaires. La Communauté est allée de l'avant chaque fois que la Haute Autorité a pu exercer des pouvoirs directs et bien définis. L'avenir communautaire de l'Europe sera donc conditionné par l'intensité des pouvoirs reconnus à ses organes exécutifs.

Certes, le système actuel n'est pas parfait. Il y a même une lacune importante qui doit être comblée, c'est celle des prérogatives du Parlement européen. Un parlement doit avoir le droit de prendre des initiatives et de procéder à des enquêtes, le pouvoir d'approuver le budget, de critiquer et d'effectuer un contrôle démocratique de la politique communautaire et de promulguer des lois. C'est vers cet objectif que l'on doit tendre sous peine de paralyser la vie communautaire et d'entraver son développement.

Dans le domaine de la réadaptation et de la reconversion, la Haute Autorité, par des initiatives et du fait, notamment, de son autonomie financière, a pu élaborer une nouvelle politique industrielle. Cette autonomie a permis également à la Haute Autorité d'engager un important programme d'action en matière de recherche. Ces deux exemples montrent la nécessité pour le Traité futur d'établir des règles communautaires permettant de résoudre les problèmes du secteur industriel.

Dans ce traité unique, il s'agira de réaliser un équilibre harmonieux entre les pouvoirs de la Commission unique et ceux du Conseil de Ministres. La Haute Autorité a le pouvoir de prendre et de promulguer une décision et elle est responsable devant le Parlement. Le Traité de Rome, par contre, fait du Conseil de Ministres le signataire d'une décision sans pour autant l'investir de responsabilités vis-à-vis du Parlement européen. C'est là un point sur lequel il sera indispensable d'effectuer un choix. La Haute Autorité estime que, dans tous les cas où des décisions d'une importance fondamentale devront être prises, l'approbation du Parlement sera nécessaire.

En concluant, le Président a déclaré que plus on prend conscience des exigences fondamentales d'une collaboration plus intense entre les peuples européens, plus on se rend compte que ce qu'il faut rechercher maintenant c'est l'unité politique, celle-ci étant la meilleure garantie pour que les conquêtes actuelles, loin d'être anéanties, continuent à porter de nouveaux et plus beaux fruits.