

Strasbourg, 5th february 1963

High Authority

STATEMENT BY PRESIDENT MALVESTITI TO THE
EUROPEAN PARLIAMENT

Mr. President, ladies and gentlemen,

Whatever one's particular views on the present situation, no one can deny the importance of Great Britain in the European context.

In discussing this matter here today, I feel we must beware, first and foremost of lengthy excursions into historical and political considerations. I shall therefore be brief, and confine myself to making a few essential points concerning the position of E.C.S.C. in the negotiations with Britain.

The High Authority regrets the interruption in the negotiations between the Six and the United Kingdom. It has always held that Britain's membership of our Communities -- once she had accepted integration into the Community system -- would have been a source of strength to Europe, though it has, at the same time, always recognized that a number of new problems would arise in consequence,

As you know, the diplomatic endeavours of the Six, in May-June 1950, were inspired by the hope that Britain would accept the Schuman Declaration, and one of the High Authority's main policy objectives, right from its inception, was to establish organic links between Britain and E.C.S.C. The Agreement of Association concluded in 1954 bears witness to this cast of thought. And indeed it can fairly be said that the Agreement played its part in the maintenance of cordial relations between Britain and the Community, and helped to prepare the atmosphere amid which the resolve developed on the British side to open negotiations for entry.

The High Authority has all along attentively followed the course of events in the British steel and coal sectors and has devoted constant study to their problems. Thus, when the British Government requested negotiations, the High Authority was fully cognizant of the difficulties which would have to be overcome if the negotiations were to succeed.

Britain approached E.C.S.C. with special arrangements for the iron and steel and the coalmining industry which could not be accepted into the Common Market as they stood.

The iron and steel industry is in private hands, but is controlled by a public body, the Iron and Steel Board, which enjoys powers incompatible with certain rules of the Treaty of Paris. This is true both of its powers regarding prices, investment and allocation, and in some respects of its powers in connection with the importation of raw materials. This being so, it was necessary to arrange for those features of the British iron and steel industry which were irreconcilable with the Treaty to be eliminated as far as possible before the establishment of the enlarged Common Market. In a series of meetings and studies lasting close on four months, representatives of the Ministers of the Six drew up and agreed the list of "steel incompatibilities" to be disposed of upon accession. These were then discussed with the British representative, who undertook, at the meeting in Luxembourg on January 22, that they should all be abolished. The Six also worked out and put to the British a proposed solution to the problem of harmonized steel duties.

The whole subject of the structural aspects of the steel sector, then, had been gone over thoroughly : the coal side, however was still under debate when the negotiations were interrupted, as the Six had not yet established common positions. The British coal industry is, of course, nationalized. Not that this is in itself a state of affairs incompatible with the Treaty : the Treaty makes no provision concerning ownership of enterprises. But the sheer size of the industry -- its production is nearly as large as that of all the Six together -- raised a whole range of new and complex problems. In addition, it had to be ascertained

whether any features of the National Coal Board's structure and functioning were contrary to the aims and rules of the Treaty : thus for instance it was impossible to regard as compatible with the Common Market the import monopoly which the Board in practice enjoys, over and above its monopoly of production and sales.

However, as I say, the negotiations were interrupted when work on the coal side was only beginning, before the Six had any agreed points to put to the British.

The High Authority feels that in the course of the negotiations it was able, in its capacity as adviser, to give valuable assistance to the Six, both in outlining the problems at issue and in drawing up possible solutions.

It warmly welcomed Britain's move in seeking membership, and can only express its deep regret that the negotiations should have been interrupted.

This is undoubtedly a grave hour -- among other reasons, because of the disarray which is likely to be caused in European opinion.

We trust that the Governments of our countries and all the European institutions will recognize the seriousness of the situation and strive to repair the rifts which have developed within the Six in recent weeks.

The High Authority, for its part, will continue to be guided by the Treaty, the spirit of which is so strikingly manifested in the Preamble where it speaks of "establishing ... the foundation of a broad and independent community among peoples long divided by bloody conflicts; and (laying) the bases of institutions capable of giving direction to their future common destiny". Thus did the signatories of the Treaty visualise the development of European unity.

The High Authority will devote its best endeavours towards the completion of the work that was begun with such élan thirteen years ago -- a work in which it is desired that other European countries should be free to join -- in the realization that the broadening of the European Communities, carried out in a spirit of ever-increasing solidarity among the member countries, represents a major contribution towards safeguarding the peace of the world.